



Equity Implications of Energy Poverty in Canada

A preliminary analysis of energy poverty trends in racialized, recent immigrant, and Indigenous households using the Energy Poverty and Equity Explorer

November, 2019





Introduction

In late 2019, the Canadian Urban Sustainability Practitioners Network (CUSP) used the Energy Poverty and Equity Explorer tool (energypoverty.ca) to investigate the extent to which racialized, recent immigrant, and Indigenous households are living in energy poverty.

We conclude that these traditionally underserved groups are by orders of magnitude more likely to be living with energy poverty than Canadian households that are, for the most part, Caucasian, well-established, and non-Indigenous. More detailed analysis is required, but given the pervasiveness of this trend in our preliminary findings, it would seem that the structural barriers that impede equitable prosperity and wellbeing for these underserved communities also impact their likelihood of living in energy poverty.

In this assessment we present the findings from our preliminary analysis and suggest next steps that policy makers might consider undertaking for deeper and more granular analyses of local, provincial and national energy-poverty disparities among these equity-seeking groups. With this more rigorous data in hand, policymakers will be better equipped to develop effective and impactful programs and policies that address the root cause of these inequities while making homes more comfortable and affordable, and Canadian cities more sustainable.

This report is a primer and reflects a high level review of whether energy poverty in Canada has racial equity implications. This primer reports on this preliminary analysis and shows that the effects of structural racism and oppression do carry over to the likelihood and extent of energy poverty among racialized, recent immigrant and Indigenous households. Given these preliminary results, this primer makes some recommendations for policymakers to partner with equity-seeking groups to perform more detailed studies and co-design equity-centred policies.

Racialized Households and Energy Poverty

In the 2016 Census of Canada, approximately 2.2 million households reported at least one person aged 18 and over who self-identified as a visible minority—the term the Government of Canada uses to refer to non-Indigenous people of colour.

Substantially all of these racialized households are located in cities (94 per cent), and close to half are in Ontario.

1. Preliminary Findings

The [Energy Poverty and Equity Explorer](#) reveals that lower median incomes, higher levels of poverty, and higher household occupancy all contribute to higher rates of energy poverty in racialized households in the greater metropolitan regions around Vancouver, Toronto, and Montreal.

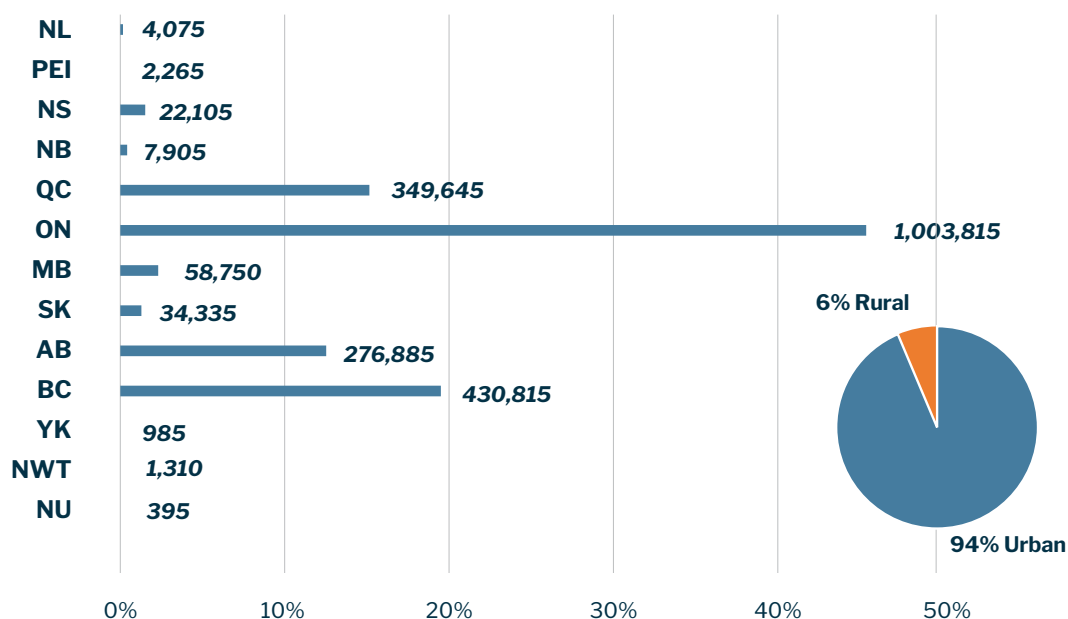


Fig. 2.1. National distribution of visible-minority households.

As shown in Figures 2.1 through 2.3, energy poverty is not evenly distributed across these metropolitan regions.

The Energy Poverty and Equity Explorer reveals that visible minority households in the greater Toronto and Montreal regions have slightly higher representation among households with high energy cost burdens. Among the larger cities in greater Toronto, we identify more significant energy-poverty rate disparities in Richmond Hill, Markham, Ajax, and Oakville. In the Montreal region, we note similar disparities in the cities of Montreal and Brossard.

In Metro Vancouver, we find that visible minority households in the cities of Vancouver, Richmond, and Coquitlam are twice as likely to experience energy poverty than Caucasian households. Visible minority populations are significant in these three cities; they represent between 30 and 73 per cent of households.

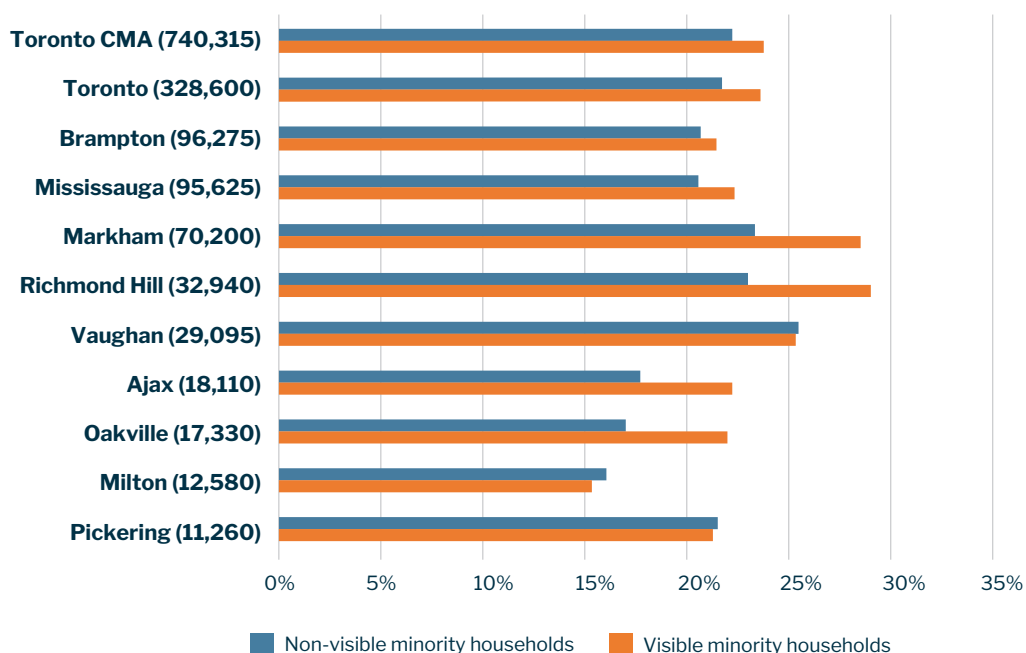


Fig. 2.2. Rates of Energy Poverty in visible-minority households, selected Toronto Census Metropolitan Area communities. Number in brackets denotes total visible-minority households per community.

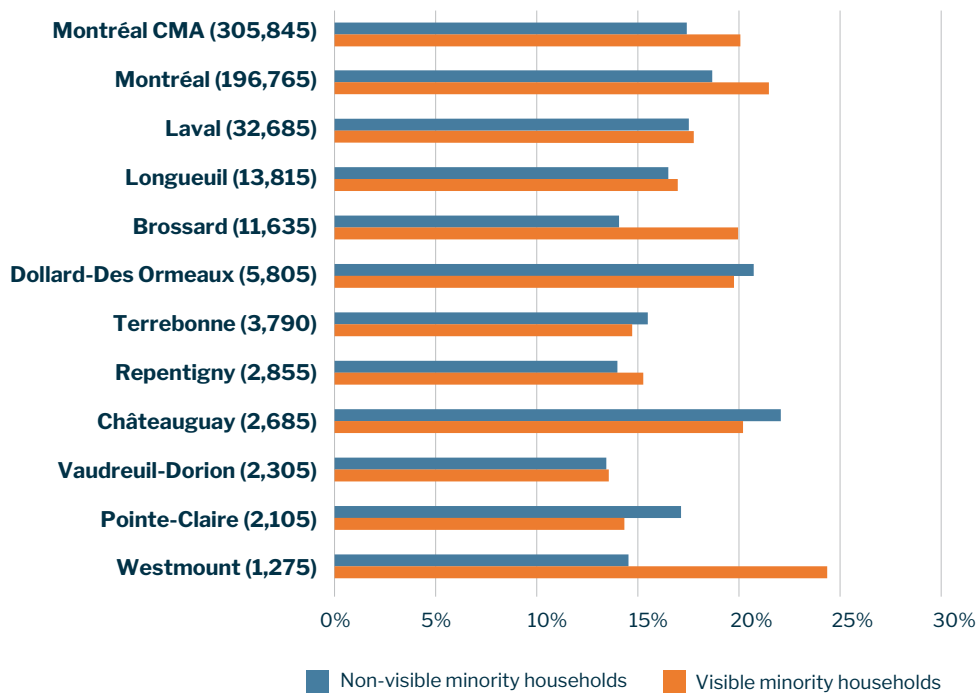


Fig. 2.3. Rates of Energy Poverty in visible-minority households, selected Montreal Census Metropolitan Area communities. Number in brackets denotes total visible minority households per community.

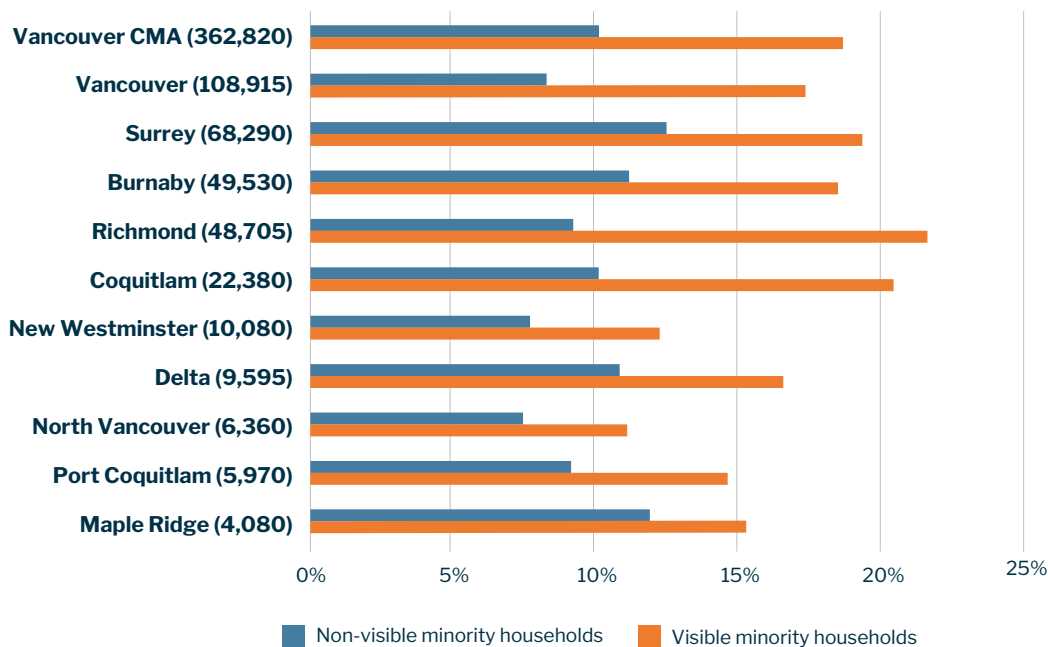


Fig. 2.4. Rates of Energy Poverty in visible-minority households, selected Vancouver Census Metropolitan Area communities. Number in brackets denotes total visible minority households per community.

2. Recommendations

Based on these preliminary findings, we recommend policy makers and research analysts:

- Expand this analysis to the 22 cities represented in the Federation of Canadian Municipalities' Big City Mayors Caucus or, if resources permit, all Census Metropolitan Areas (CMAs) in Canada¹.
- Pay particular attention to the districts known to host communities of colour and that have an established history of racial inequity, such as the area historically known as Africville in Halifax, Nova Scotia.
- Investigate patterns in building typology and age, housing condition, and housing tenure among racialized households that exhibit high or disproportionate rates of energy poverty.
- Explicitly acknowledge the existence and impacts of structural racism as central to addressing the root cause of entrenched racial inequity, including limited access to opportunities, greater barriers to benefits, and the shouldering of infinitely higher burdens. These manifest in persistent income, wealth and health disparities among other barriers to equitable prosperity and well-being.
- Partner with anti-racism researchers and advocates to better inform research and analysis and connect municipal efforts to address energy poverty with other racial equity efforts stemming from [Canada's Anti-Racism Strategy](#) and other related local and provincial initiatives.
- Advance the objective of equitable wellbeing. Seek to improve the comfort, health, and cost effectiveness of the home, and remove barriers to the participation of racialized people and businesses in the clean economy and low carbon transition.
- Design energy efficiency and clean energy generation programs that also seek to improve wellbeing and racial equity in Canada. Design and deliver programs in partnership with existing housing, employment, anti-poverty, and anti-racism programs that reach communities of colour.

¹ A Census Metropolitan Area (CMA) or census agglomeration (CA) is formed by one or more adjacent municipalities centred around a population centre known as the "core." A CMA must have a total population of at least 100,000, of which 50,000 or more must live within the core.



3. Recent Immigrant Households and Energy Poverty

In the most recent Census (2016), Statistics Canada defined “recent immigrants” as those arriving to Canada within the last five year period (2011 - 2016).

More than 450,000 households in Canada reported at least one person aged 18 and over who meets the recent-immigrant criteria. Substantially all newcomers live in urban areas (92 per cent), and this is consistent across the country with the exception of Atlantic Canada, where the trend is only slightly less pronounced.

Our preliminary analysis of households reporting this status in the nation’s three largest metropolitan areas suggests that they are significantly more likely to experience energy poverty than more established households.

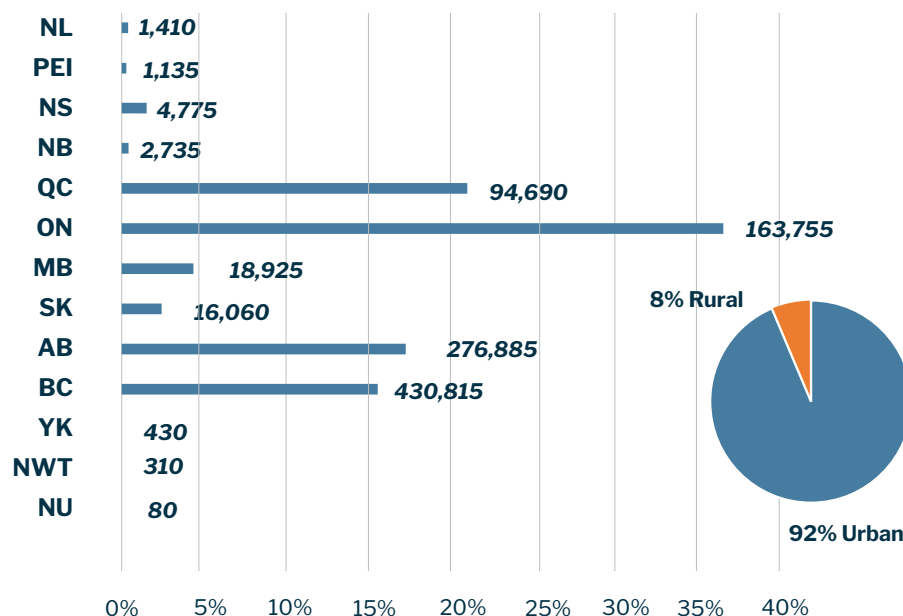


Fig. 3.1. National distribution of recent-immigrant households.

Preliminary Findings

As shown in Figures 3.1 through 3.3, the Energy Poverty and Equity Explorer reveals a disproportionate representation of recent immigrants living in energy poverty across Canada's three largest metropolitan regions.

At the regional level, the rate of energy poverty among recent immigrants in the Greater Toronto area (GTA) is only slightly higher than that of other households. However, the large populations in Toronto and Brampton, where recent immigrants do not experience higher rates of energy poverty, reduces this variance. All other major GTA cities have higher rates of energy poverty among recent immigrant households.

Mississauga, the GTA's second most populous city, has a 25 per cent energy-poverty rate among recent immigrants, versus 21 per cent of non-recent immigrants. Richmond Hill, Markham, and Oakville also exhibit significant disparity.

In contrast, Brampton, which has one of the highest populations of recent immigrants in the region and country, has a lower energy-poverty rate among recent immigrants when compared with other households in Brampton and Greater Toronto. The most notable difference is that recent immigrant households in Brampton report higher income levels, whereas those in Richmond Hill, Markham and Oakville have some of the region's lowest household incomes, reporting median incomes that are \$20,000 lower, or 20 to 25 percent lower, than other households in these three cities.

In Metro Vancouver, the rate of energy poverty is higher across all the cities that host significant recent immigrant populations. Richmond and Coquitlam stand out as municipalities with a significant number of recent immigrant households, and a very high prevalence of energy poverty when compared with other households in these cities, as well as other cities both within the region and across the province. The cities of Vancouver, Surrey, Delta, and Port Coquitlam also exhibit notable discrepancies in energy-poverty rates between recent immigrant households and their neighbours.

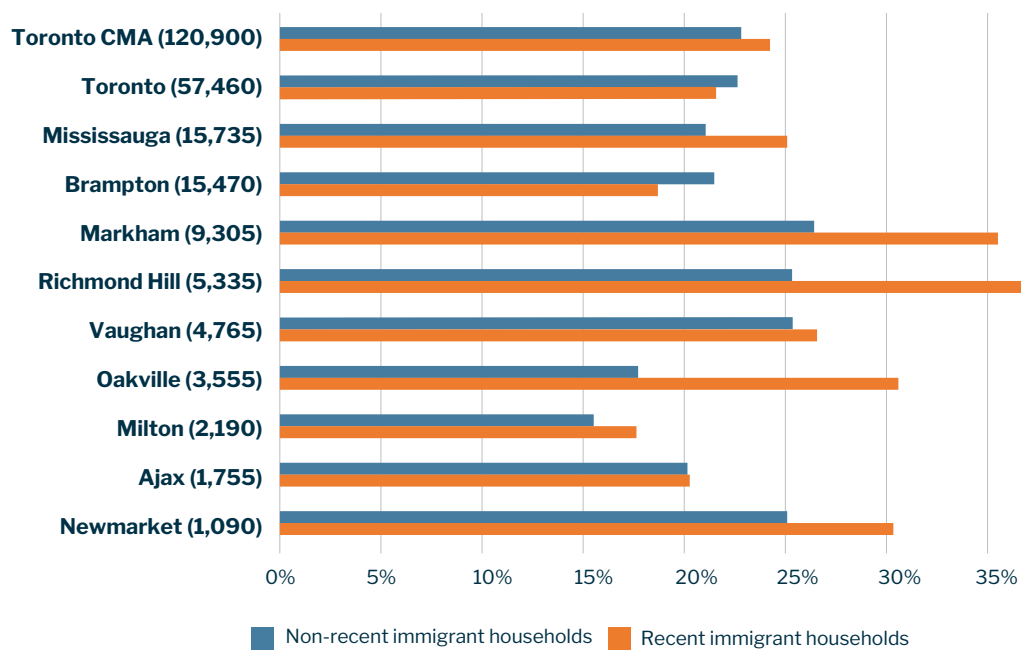


Fig. 3.2. Rates of energy poverty in recent-immigrant households, selected Toronto Census Metropolitan Area communities. Number in brackets denotes total recent immigrant households per community.

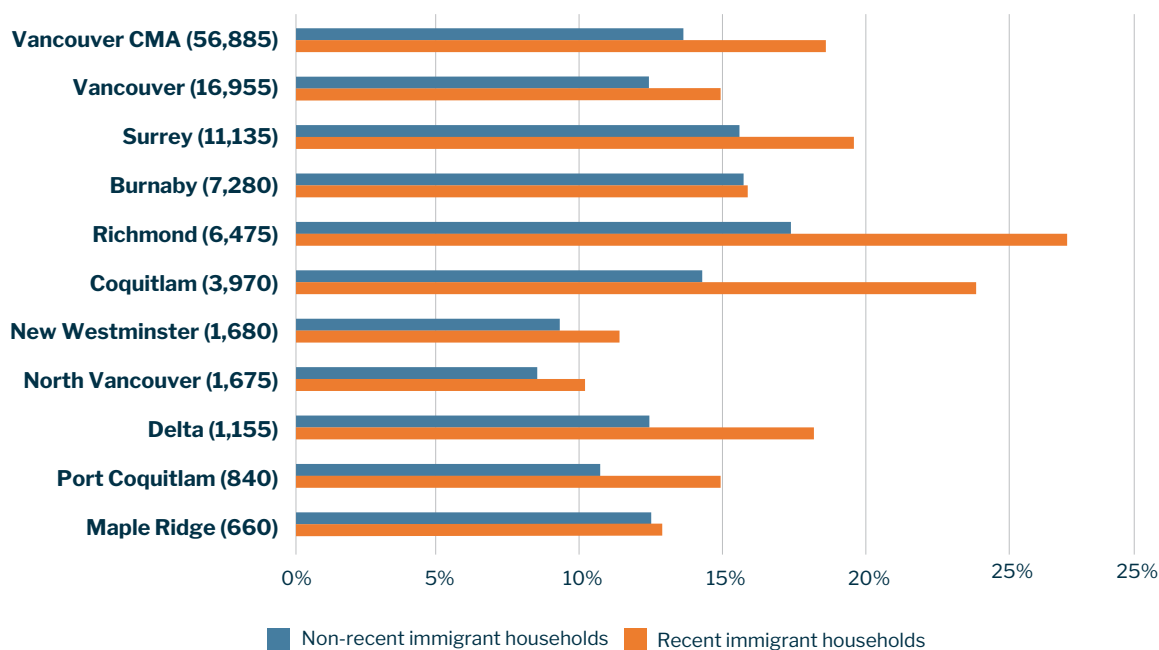


Fig. 3.3. Rates of energy poverty in recent immigrant households, selected Vancouver Census Metropolitan Area communities. Number in brackets denotes total recent immigrant households per community.

Recommendations

This analysis is too preliminary to infer which drivers are common to recent immigrants within and across Canada's most urban cities and regions. One common characteristic of recent immigrant households, according to Census data obtained, is higher occupancy levels. Higher occupancy may affect energy use and/or necessitate larger home sizes to accommodate multi-generational families for example.

We encourage policy makers and researchers to:

- Fully investigate the factors exacerbating energy poverty amongst recent immigrants in the Toronto, Vancouver, and Montreal regions, paying attention to patterns in building typology and age, housing condition, and housing tenure.
- Broaden the scope of our preliminary review and examine a larger set of immigrants beyond recent arrivals, and beyond the three regions we highlight to include cities that host significant numbers and proportions of recent and more established immigrants.
- Partner with intercultural associations, immigrant resource centres, and faith-based organizations to better inform this research and analysis and to co-design and deliver energy poverty reduction and clean energy programs.
- Advance the objectives of equitable wellbeing, inclusion and belonging of new Canadians in as many places where those opportunities exist.
- Design energy efficiency and clean-energy generation programs that also seek to improve the experience of recent immigrants to Canada. Design and deliver programs in partnership with existing inclusion and belonging, housing, employment, anti-poverty and anti-racism programs for newcomers and refugees.



Photo by Ben Breitenstein

4 Indigenous Households and Energy Poverty

According to the 2016 Census, about 566,000 Canadian households include at least one person aged 18 and over who identifies as Indigenous. One half of Indigenous households live in urban areas and this is relatively consistent across the provinces.

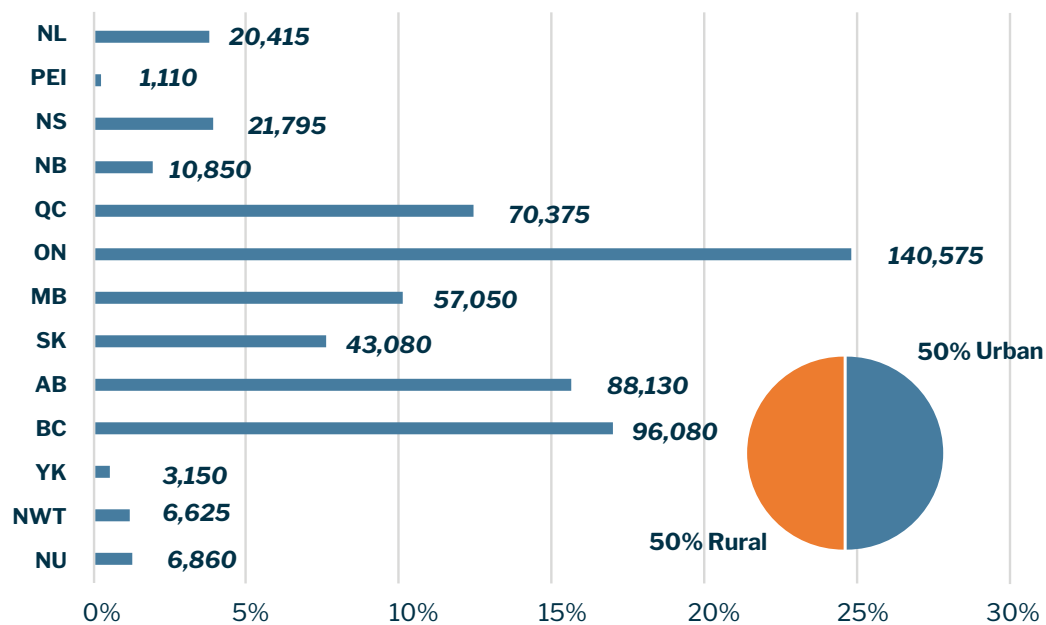


Fig. 4.1. National distribution of Indigenous households.

Preliminary Findings

At a national level, Indigenous households experience a higher incidence of energy poverty (26 per cent) than non-Indigenous households (23 per cent). However, this understates two significant preliminary findings:

1. The prevalence of Indigenous populations in Western Canada, with lower energy prices and, thus lower than average energy poverty rates when compared with other provinces, mask disparities and higher prevalence of energy poverty among Indigenous households across the country.
2. Across Canada, Indigenous households in energy poverty consistently live in older homes and in those that are twice as likely to need major repair according to the Census of Canada. Higher incidences of low income and larger household sizes are other contributing factors to higher energy poverty rates for Indigenous households.

	Non-Indigenous households		Indigenous households	
Municipality/Province (% Indigenous households)	Older housing (before 1961)	Major repairs needed	Older housing (before 1961)	Major repairs needed
Canada (5%)	22%	6%	24%	12%
Winnipeg (13%)	25%	5%	33%	11%
Regina (10%)	36%	7%	44%	12%
Saskatoon (12%)	21%	7%	28%	11%
Edmonton (7%)	18%	4%	20%	8%
Ontario (3%)	15%	5%	20%	10%
British Columbia (6%)	14%	6%	17%	11%

Table 4.1. Rates of energy poverty of indigenous households within select cities and provinces with large populations of Indigenous peoples.

Across the prairies, and specifically the cities of Edmonton, Saskatoon, Regina, and Winnipeg that we reviewed, we note a significant trend of higher rates of energy poverty among urban Indigenous households. For example, the incidence of energy poverty among Indigenous households in Regina is 25 per cent, as compared to only 15 per cent of non-Indigenous households. This higher energy poverty rate is consistent with the national average, but markedly higher than neighbouring non-Indigenous households in Regina.

Ontario is home to the largest number of Indigenous households overall, and Indigenous households in energy poverty. One third of Indigenous households in Ontario, or 42,000 households, are in energy poverty. While it is common for energy poverty rates as a whole to be higher in Ontario due to higher energy prices, there is significantly higher incidence among Indigenous households.

British Columbia has a higher overall rate of energy poverty for Indigenous households. That said, the Energy Poverty and Equity Explorer reveals an exception to this trend in the province's most populous region. One quarter of British Columbia's Indigenous households live in Metro Vancouver, and data reveals those who do have lower rates of energy poverty compared with other households.

A significant factor for this trend in Metro Vancouver is that Indigenous households reported higher median incomes than their non-Indigenous neighbours across the entire region with exception of the cities of Vancouver and New Westminster.

It's worth highlighting that many of the cities in Metro Vancouver have a very high proportion of recent immigrants and/or visible minorities which, as we note previously, have markedly higher rates of energy poverty across the region often attributable to lower median incomes and higher prevalence of low income. The finding that urban Indigenous households located beyond the Vancouver core enjoy higher than average income could be more telling of the disproportionately low incomes of communities of colour and newcomers than of higher incomes of urban Indigenous households.

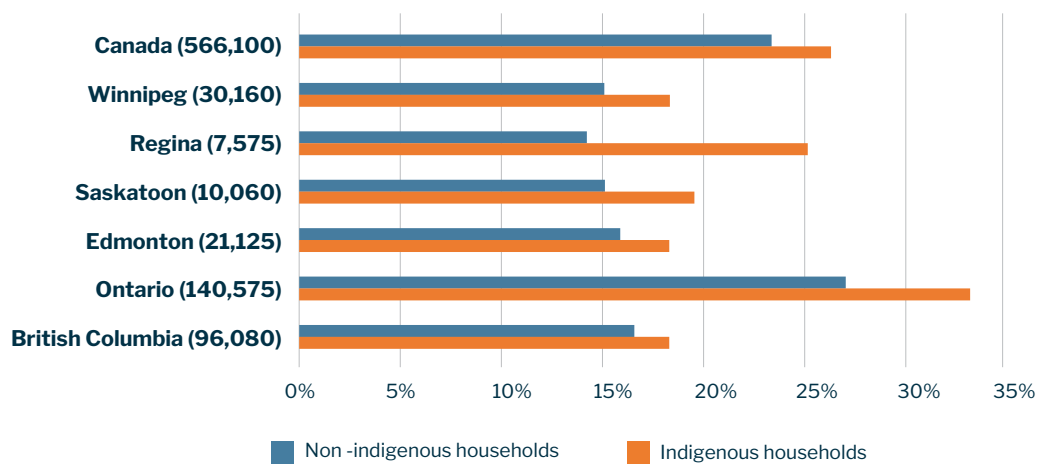


Fig. 4.2. Rates of energy poverty in Indigenous households, selected Canadian jurisdictions. Number in brackets denotes total indigenous households per jurisdiction.

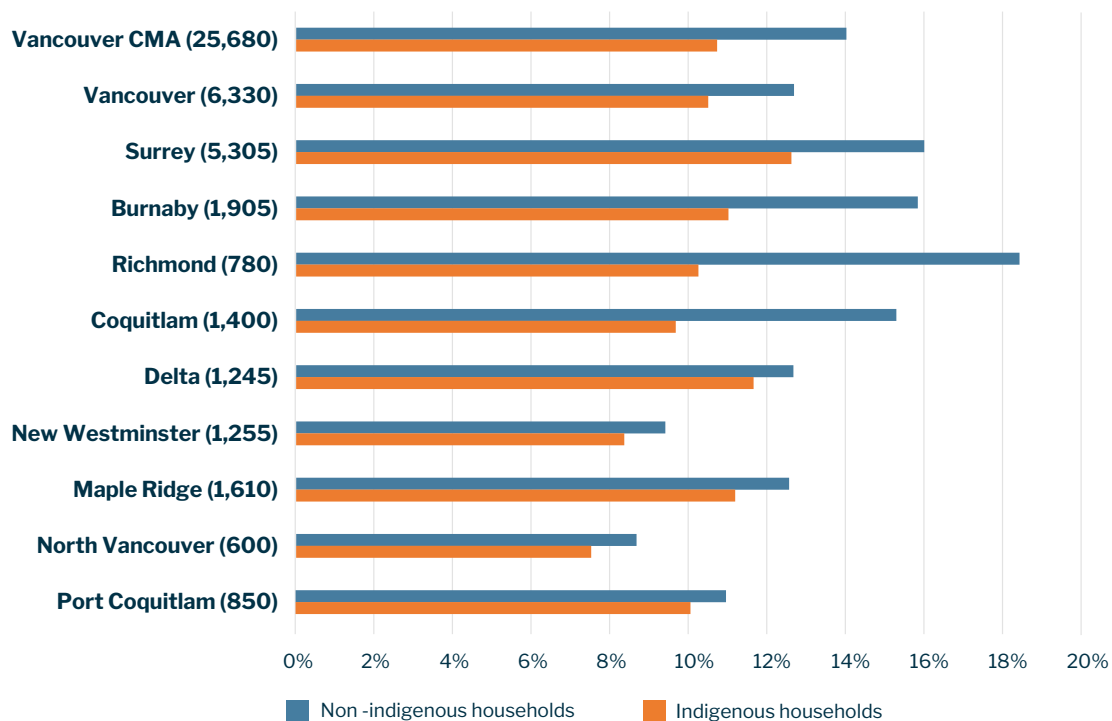


Figure 4.3. Rates of energy poverty in Indigenous households, selected Vancouver Census Metropolitan Area communities. Number in brackets denotes total Indigenous households per community.

Recommendations

Indigenous households report that their homes are twice as likely to be in need of major repair. Targeted energy efficiency and clean energy programs, coupled with other home upgrades, offer a significant opportunity to advance reconciliation and the right to self-determination among Indigenous peoples.

We recommend policy makers and research analysts:

- Expand this analysis to all of Canada's major urban centres.
- Conduct similarly detailed, but distinct, investigation to better understand energy poverty of Indigenous peoples living in rural Canada (50% of Indigenous households).
- Explicitly acknowledge the existence and impacts of Canada's long history of oppression of Indigenous peoples which manifest in persistent income, wealth, and health disparities among other barriers to equitable prosperity and wellbeing.
- Connect municipal efforts to address energy poverty and advance reconciliation with the initiatives of other levels of government in addressing the findings and recommendations of the [Truth and Reconciliation Commission](#) and Canada's commitments under the [UN's Declaration of Rights of Indigenous Peoples \(UNDRIP\)](#), and advance the objectives of equitable wellbeing, reconciliation, and the right to self-determination.
- Examine housing characteristics above and beyond household characteristics of Indigenous people. This will reveal energy efficiency and clean energy opportunities to improve the comfort, health and cost effectiveness of the home, and remove barriers to Indigenous participation in the clean economy and low carbon transition.
- Examine patterns in building typology and age, housing condition, and housing tenure among Indigenous households.
- Partner with local bands in rural areas, and Native Friendship Centres, and other organizations supporting urban Indigenous households in cities to better inform this research and analysis and to co-design and deliver energy poverty reduction and clean energy programs.
- Design energy efficiency and clean-energy generation programs to improve the equitable wellbeing of Indigenous households in Canada. Design and deliver such energy poverty reduction programs in partnership with existing housing, employment, anti-poverty and anti-racism programs for Indigenous peoples.



Photo by Filip Mroz

5. Summary Recommendations and Next Steps

The [Energy Poverty and Equity Explorer](#) surfaces detailed evidence of an entrenched social justice challenge that to date has largely escaped policy maker attention in Canada. While we recognize there will be unique drivers across the country and between Indigenous, racialized, and newcomer households, we recommend policy makers take a consistent approach to centring equity and advancing energy poverty work among these historically underserved groups:

1. Explicitly acknowledge systemic inequities impacting racialized, newcomer and Indigenous households and the number of ways this may result in the increased likelihood and extent to which these households experience energy poverty.
2. Connect with equity-seeking groups to inform and further elaborate on these preliminary findings. Work with researchers, other policy makers, and/or equity-seeking advocacy organizations to perform more granular analysis using this mapping tool and its underlying datasets.
3. Investigate and report on energy-poverty disparities among racialized, newcomer, and Indigenous households at the levels of jurisdiction over which you have greatest influence.
4. Share findings and opportunities with partners in other levels of government, utilities, and organizations working to advance equitable wellbeing and racial justice in Canada. Align energy poverty reduction and clean energy program opportunities with existing initiatives and legislation.
5. Lead or support frontline communities and organizations to co-design and co-deliver energy poverty and clean energy programs.

Acknowledgements

The Canadian Urban Sustainability Practitioners (cuspnetwork.ca) sourced all data in this primer from the **Energy Poverty and Equity Explorer**, available at www.energypov-erty.ca. CUSP will continue to grow the resources on this website with the goal of help cities and their partners be intentional in their design of equitable plans, policies, and programs.

Launched in the spring of 2015, the CUSP network connects sustainability practitioners from Canada's large and leading municipalities and provides added capacity to support their collective efforts and expand their reach and impact. Combined, CUSP's seventeen member cities represent a population of 18 million, or one half of the country's population and generate \$1 Trillion, or 55% of the country's GDP. www.cuspnetwork.ca

A technical user guide, available via the above-mentioned website, details the tool's indicators and methodology. We sourced all data used in the tool from custom datasets ordered from, and prepared by, Statistics Canada.

The Energy Poverty and Equity Explorer website was designed and built by the Community Data Program team through its Community Analytics Service. The Community Data Program (CDP) is a membership-based community development initiative open to any Canadian public, non-profit or community sector organization with a local service delivery or public policy mandate. The CDP makes data accessible and useful for all members with training and capacity building resources and facilitates and supports dialogue and the sharing of best practices in the use of community data.