

## Energy Poverty in Saskatoon

There exists a growing body of research that highlights the disproportionate uptake of sustainability initiatives by higher-income households in Canadian and American municipalities. This is due, in part, to low- and moderate-income households lacking access to these initiatives because of a variety of barriers including: energy poverty, access to credit, split incentives<sup>1</sup> between landlords and tenants, participation requirements, insufficient outreach and awareness, disparities in neighbourhood amenities, infrastructure, and design, and other systemic barriers. These barriers are exacerbated by additional factors beyond income, including, for example: culture, citizenship, ability, age, gender, and fluency with the dominant language. These factors raise concerns of a growing divide, where differing abilities to adopt and benefit from sustainable solutions could further disadvantage certain communities.

A household is defined as experiencing energy poverty (or “high energy burden”) if they spend a disproportionate amount of their income on household energy needs; this is most often considered to be households that spend 6% or more (approx. twice the national median) of their after-tax income on energy bills. Energy poverty affects both homeowners and renters. Households with low-income levels are more vulnerable to energy poverty than those with high levels of income. In Saskatoon, 16% of households are experiencing energy poverty, with 66% of those being owners and 34% renters.

While energy efficiency gains have been realized in many homes and vehicles, energy costs still make up a significant proportion of household spending. Not only that, energy poverty disproportionately affects lower income Canadians. In 2013, 30% of households earning \$27,000 or less, and almost 28% of households earning between \$27,000 and \$47,700, had to devote 10% or more of their expenditures to energy.

The [LEAP Energy Poverty Explorer Tool](#) shows the percentage of households experiencing energy poverty in Saskatoon. It includes household data by census tract for those spending 6%, 10%, and 15% of their after-tax income on energy costs.

In terms of *extreme* rates of energy poverty, approximately 8.7% of households located in Pleasant Hill, Westmount, Mount Royal and 6.4% of households located in Greystone Heights were spending more than 15% of their income on energy in 2020.

While energy poverty is experienced by households in nearly all neighbourhoods in Saskatoon, in 2020, the highest rates of energy poverty (spending 6% or more of their income on energy) were found in the following areas:

- 36% of households in King George, West Industrial, and Riversdale
- 32% of households in Caswell Hill, Mayfair, and the Airport Business Area
- 31% of households in Pleasant Hill, Westmount, and Mount Royal
- 30% of households in Hudson Bay Park, Westmount, and Mount Royal

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<sup>1</sup> “Split incentives occur when those responsible for paying energy bills (the tenant) are not the same entity as those making the capital investment decisions (the landlord or building owner). In these circumstances, the landlord may not be inclined to make the necessary upgrades to building services when the benefits associated with the resulting energy savings accrue to the tenant.” <https://www.environment.gov.au/system/files/energy/files/hvac-factsheet-split-incentives.pdf>