Food Banks Canada

Banques alimentaires Canada

2024 POVERTY REPORT CARDS

FOOD BANKS CANADA IS PROUD TO SHARE THIS SECOND ANNUAL POVERTY REPORT CARD RELEASE. THIS PROJECT HAS BEEN DEVELOPED TO BRING TOGETHER POVERTY REDUCTION EFFORTS HAPPENING ACROSS THE COUNTRY. AS WE TRY TO UNIFY PEOPLE FROM COAST-TO-COAST-TO-COAST ON OUR SHARED MISSION TO REDUCE FOOD BANK USE BY ADDRESSING ITS ROOT CAUSES, THESE REPORT CARDS CAN HELP FACILITATE DIALOGUES AND A SHARED UNDERSTANDING OF THE ROAD AHEAD. POVERTY IN CANADA CANNOT BE ERADICATED BY ONE GOVERNMENT ALONE. IT WILL REQUIRE A UNITED EFFORT FROM ALL LEVELS OF GOVERNMENT ALONG WITH A NEW DESIRE FOR CHANGE FROM ALL PEOPLE IN CANADA.

2024

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AS AN ORGANIZATION THAT SUPPORTS A NETWORK OF ASSOCIATIONS SPANNING FROM COAST-TO-COAST-TO-COAST, FOOD BANKS CANADA RECOGNIZES THAT OUR WORK TAKES PLACE ON THE TRADITIONAL TERRITORIES OF INDIGENOUS PEOPLES WHO HAVE CARED FOR THIS LAND THAT WE NOW CALL CANADA SINCE TIME IMMEMORIAL.

WE ACKNOWLEDGE THAT MANY OF US ARE SETTLERS AND THESE LANDS THAT WE LIVE, WORK, MEET, AND TRAVEL ON ARE SUBJECT TO FIRST NATIONS SELF-GOVERNMENT UNDER MODERN TREATIES, UNCEDED AND UN-SURRENDERED TERRITORIES, OR TRADITIONAL TERRITORIES FROM WHICH FIRST NATIONS PEOPLES, MÉTIS, AND INUIT HAVE BEEN DISPLACED.

WE ARE COMMITTED TO DECOLONIZATION AND TO DISMANTLING THE SYSTEMS OF OPPRESSION THAT HAVE AND CONTINUE TO DISPOSSESS INDIGENOUS PEOPLE OF THEIR LANDS AND DENY THEM THEIR INHERENT RIGHTS TO SELF-DETERMINATION. THIS INCLUDES EVALUATING THE ROLE THAT FOOD BANKS CANADA HAS PLAYED IN PERPETUATING THESE SYSTEMS AND WORKING TOWARD BEING ACTIVE PARTNERS IN THE PATH TOWARD RECONCILIATION.

2024

LAND ACKNOWLEDGMENT

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OUR COMMITMENT TO EQUITY, DIVERSITY, AND INCLUSION (EDI)

Food Banks Canada is deeply committed to respecting the principles of Equity, Diversity, and Inclusion (EDI) in all we do. As part of our ongoing efforts to develop inclusive environments, our team used an EDI framework to guide us throughout the development of this report.

WE RECOGNIZED THE IMPORTANCE OF INCORPORATING DIVERSE PERSPECTIVES FROM THE EARLIEST STAGES OF CONCEPTUALIZATION TO ENSURE THAT OUR WORK CONSIDERED AND REFLECTED A ROBUST RANGE OF VIEWPOINTS.

Before the report was first introduced in 2023, we conducted early consultations with experts — both professionals and people with lived experience — from across the country, actively seeking the participation of individuals from diverse backgrounds and with a range of lived experiences. These consultations provided direction for our team on much of the process and design of the report, including data collection and policy development. In 2024, we continue to make adaptations to this living report through in-depth reviews of our website, design, and content.

All the poverty-based analysis in this report includes a cross-analysis of intersectional demographics. In our own survey that forms part of this report, we disaggregate our findings to identify how racialized people in Canada experience poverty and struggle differently than the rest of the population. In 2024, we also included phone interviews in the territories to better capture the unique experience of isolated low-income communities. Where our survey could not provide data on the experience of marginalized communities, we sought outside resources to fill gaps and effectively provide an inequality analysis for all 14 government levels.

The final report also underwent a third-party EDI analysis to ensure maximum representation and inclusivity.

As we move forward, Food Banks Canada remains committed to learning and to improving our approach to better include and represent all the members of our diverse community. We will continue to seek new and better ways to embrace EDI principles in our reports and all the work we do. Our vision is a Canada where no one goes hungry. This vision is inclusive of every person within our borders, irrespective of race, national or ethnic origin, language, citizenship, colour, religion, sex, sexual orientation, gender identity, gender expression, income source, age, or mental and/or physical ability.

CLICK HERE if you would like to jump ahead to our section on Poverty and Inequality In Canada

INTRODUCTION

A CHANGING PICTURE OF POVERTY

Poverty in Canada is moving through a transition. The latest data tells us that poverty is on the rise and is rising rapidly. This matches what we've seen on the frontlines at food banks, where there has been a 30 per cent increase in demand in the last year alone. However, in the first half of the past decade, between 2015 and 2020, Canada saw the most dramatic and comprehensive declines in poverty on record. In 2015, one in six Canadians (14.5 per cent) were living below the poverty line. Five years later, that figure fell to 6.4 per cent — less than half the former rate and a decline of about 66 per cent.

This welcome and substantial decline in poverty was thanks to three important factors:

1. **Well-targeted public policy interventions** like the Canada Child Benefit, which have helped improve the income security and after-tax income of families, particularly among those at the bottom of the income distribution.
2. **An increasingly inclusive labour market** from 2015 to 2019, which operated above full employment, and began to pull in vulnerable and low-income people who were traditionally under-represented in paid work, such as mothers, persons with disabilities, Indigenous people, recent immigrants, and single adults.
3. **Crisis response to COVID-19** with measures like the Canada Emergency Response Benefit (CERB), which provided a form of basic income for a short time.

INTRODUCTION

This report aims to provide a clear picture of how the story has begun to shift since 2020. Yet, understanding the full extent of this change in poverty trends remains challenging because of data limitations. Due to delays in data availability, policymakers and researchers often rely on datasets that are several years out of date, particularly among datasets like the Census which allow for a richer and more disaggregated analysis of households. This is a separate problem that needs to be corrected in the future.

Although we do not have large-scale Canada-wide data on which to base our analysis for how things are today, there is data showing us that we may be entering a period of rising poverty rates, undercutting the progress made in each of the factors listed above.

In 2022 — just two years after the country's poverty rates reached an all-time low of 6.4 per cent — rates have increased again by 55 per cent to nearly 10 per cent of people in Canada, effectively cutting progress since 2015 in half. Meanwhile, food insecurity rates — another strong indicator of economic struggle — have increased by over 7 percentage points since 2020, resulting in nearly a quarter (23 per cent) of all Canadians experiencing food insecurity. **The reasons for these alarming increases include:**

- **Significant and rapid population growth without the social infrastructure ready** to absorb such an influx. While this growth has propelled overall economic output and may be beneficial economically by raising potential GDP over the long term, in the short term it has increased pressure on things like housing and food systems. This has added to other underlying inflationary pressures already making their way through most global economies post-COVID-19.
- **Rapid interest rate hikes and the tightening of financial conditions to tackle decades-high rates of inflation.** While interest rate hikes are said to be necessary to help lower overall inflation — which theoretically benefits low-income families in the long term because of renewed price stability — the high cost of borrowing has many negative effects in the short term on people with low incomes. It raises the cost of borrowing which passes through in the form of higher debt costs, particularly for vulnerable groups who do not have money to save. And it reduces the ability of companies and governments to invest in things like housing supply, which is needed to reduce shelter cost pressure.
- **The lack of available housing supply, particularly affordable housing,** to meet existing needs, has exacerbated recent price pressures on both owners and renters. This has the potential to undo some of the significant progress made since 2018 in reducing the portion of households living in core housing need.
- **The loss of income supports like the CERB** and other one-time affordability measures that the federal and provincial governments introduced to provide short-term buffers to both the pandemic and the subsequent inflationary crisis has led to an overall decrease in disposable income for families with low incomes. While some governments have since responded with the introduction of indexation to various income support programs, it is too little too late to avoid a drop in the standard of living.
- **A slowdown in economic activity** and a (slowly) rising unemployment rate has reduced the pressure to offer higher wages and continue the progress made toward a more inclusive labour market.

INTRODUCTION

As a result of these and other factors, we should expect that poverty rates will continue to rise as new data becomes available. This means more struggling seniors, more children experiencing food insecurity and more people across Canada worrying about making ends meet. Policymakers need to see this change in data for the urgent issue that it is and work harder, and with renewed commitment, to sustain and extend the progress made to date in reducing poverty.

This task cannot be done by one government body alone. Everyone — local, provincial, territorial, and federal governments — will have to work in unison to tackle poverty head-on. The urgency and scale of the challenge requires unity and partnership, not politics or assigning the blame to someone else. While every province and territory is affected by poverty, each region faces unique challenges and requires different, nuanced solutions.

This report examines the state and experience of poverty across the country and offers an analysis of poverty reduction efforts in each jurisdiction. The report not only contains an analysis of poverty in each province and territory — and a high-level federal analysis — but also offers thoroughly developed report cards based on diverse and reliable data sources.

As such, this report is designed to be accessible to everyone and to offer an insightful window into the precarity of life in poverty and the various poverty reduction initiatives and programs issued by our governments.

The report cards and accompanying analysis will help policymakers and decision-makers at all levels of government to gauge their performance in the fight against poverty and how they can do better by identifying strengths, weaknesses, and opportunities for future progress.

We hope these report cards will serve as a signal to Canadians and governments, as they enable us to assess and compare the performance of all governments in their efforts to eliminate poverty across Canada.

The report also aims to increase the public's understanding of the extent of the assistance (or lack thereof) provided by their provincial and federal governments to individuals and families who live in their communities and are struggling with low incomes and poverty. It aims to encourage greater transparency, accountability, and enhanced poverty alleviation efforts, and has been developed with several audiences in mind.

By shining a spotlight on the poverty landscape in every province and territory in the country, this report aims to stimulate dialogue, cooperation and, most importantly, innovative approaches to address this most significant of issues.

FOOD BANKS CANADA HOPES THAT PEOPLE WILL USE THIS KNOWLEDGE TO PARTICIPATE IN INFORMED DISCUSSIONS AND ADVOCATE FOR POLICIES THAT CAN MAKE A TANGIBLE DIFFERENCE IN CANADA AND HELP US BUILD A COUNTRY WHERE NO ONE GOES HUNGRY.

OUR APPROACH

OUR PURPOSE

The aim of this report is to offer a comprehensive understanding of the complexity of poverty in Canada. Historically, poverty has been reduced to a single statistic, which is a poverty rate based on the Market Basket Measure (MBM). However, we recognize that poverty is multi-faceted and cannot be adequately captured by this measure alone. This is exemplified by the fact that food insecurity rates are significantly higher than poverty rates, which tells us that people who live above the poverty line still experience food insecurity.

THE STRUCTURE OF THE REPORT

The report is composed of three main parts:

PART 1: AN ANALYSIS OF EACH PROVINCE, TERRITORY, AND THE FEDERAL GOVERNMENT:

These sections provide insights into the key poverty-related issues in each jurisdiction and provide context for why some of these issues may be persisting. In these analyses, the report examines recent trends in poverty figures and related topics like labour and the cost of living. The analyses also include reviews of recent policy and political action that have influenced the poverty landscape of the region, as well as a closing section dedicated to policy recommendations. These recommendations are tailored to the specific government in place in each jurisdiction. As such, the recommendations are politically realistic and can feasibly be acted on before the release of the next report card.

PART 2: A REPORT CARD FOR EACH JURISDICTION

These report cards are divided into four sections to help capture the full picture of poverty.

a. The Experience of Poverty

Based on a national survey, designed and paid for by Food Banks Canada, this section includes five indicators that describe the financial situation of people in 2024. It covers financial stress, how much income people must dedicate to fixed costs, and the perceived adequacy of healthcare and social assistance.

b. Poverty Measures

This section uses existing and well-established measures of poverty to help balance the Experience of Poverty section, which is more subjective. It covers the poverty and food insecurity rate, unemployment, and the adequacy of social assistance.

Unemployment rates are taken from March 2024 data to reflect the same period as the survey used for the Experience of Poverty and Material Deprivation sections. Food insecurity and poverty rates are taken from the Canadian Income Survey released in April 2024 and reflect data from 2022. Social assistance data is based on Maytree's Welfare in Canada Report. This report is not released until the summer, and therefore it does not have updates for 2024 yet.

OUR APPROACH

c. Material Deprivation

Also based on the national survey designed and paid for by Food Banks Canada, this section aims to fill a gap left by other measures like poverty and food insecurity. As stated earlier, poverty and food insecurity indicators cannot alone capture a full picture of how Canadians struggle daily. This section uses a formalized material deprivation index to determine the quality and standard of living for people in Canada.

d. Legislative Progress

While poverty, food insecurity, and material deprivation represent the result of past omissions in policy action, it is important to acknowledge efforts being made in the present that improve these factors. This section reviews the legislative action taken by the government since the last report to assess whether the policies being introduced are sufficiently tackling the issue of poverty and moving the jurisdiction forward.

For full details on the methodology used to determine grades in the report card, you can visit the methodology section from the table of contents.

PART 3: COMPREHENSIVE ANALYSIS OF POVERTY AND INEQUALITY IN CANADA

Recognizing that poverty is not felt equally across all demographics in the country, this section provides the final piece of the poverty picture. Much of the poverty data in this section relies on the 2021 Canadian Census as it allows us to view disaggregated trends across a number of vulnerable groups.

ALTOGETHER, OUR REPORT CARDS HAVE **13 INDICATORS**, EACH WEIGHTED DIFFERENTLY TO PROVIDE AN OVERALL GRADE FOR THE JURISDICTION. THESE GRADES ARE DETERMINED USING A BASELINE THAT FOOD BANKS CANADA DEVELOPED IN 2023 BASED ON THE PROVINCIAL AVERAGES OF THESE INDICATORS (SEE METHODOLOGY). THROUGH THIS STRUCTURED APPROACH, OUR REPORT AIMS TO PROVIDE POLICYMAKERS, STAKEHOLDERS, AND THE PUBLIC WITH VALUABLE INSIGHTS INTO THE STATE OF POVERTY IN CANADA, FACILITATING INFORMED DECISION-MAKING AND TARGETED INTERVENTIONS TO ADDRESS THIS CRITICAL ISSUE.

NATIONAL OVERVIEW

THESE GRADES REPRESENT HOW WELL POVERTY REDUCTION EFFORTS ARE GOING IN THE PROVINCIAL, TERRITORIAL, AND FEDERAL GOVERNMENTS. AS POVERTY IS THE RESULT OF MANY FACTORS, INCLUDING THE COST OF HOUSING AND EVERYDAY NEEDS, TO THE QUALITY OF THE SOCIAL SAFETY NET, THESE REPORT CARDS EXPLORE **THE EXPERIENCE OF POVERTY ACROSS CANADA** AND WHERE GOVERNMENTS CAN TAKE STEPS TO IMPROVE THEIR SOCIAL POLICY.

This year, grades across the country have seen an overall decline, signaling that people in Canada are broadly worse off in 2024 than in 2023. Only P.E.I and Nova Scotia managed to increase their overall grade, while the rest of the country remained stagnant or worse. Most concerning is that all but three provinces are on the edge of failing (receiving a D- overall). Despite these overwhelming signals, many governments continue to struggle in taking helpful legislative action (section four of report cards).

Food Banks Canada

Banques alimentaires Canada

HUNGER COUNTS 2024

CANADA

CANADA

D-

OVERALL GRADE

D- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	44.4%	D+	C-
People Paying More than 30% of Income on Housing	43.6%	F	D-
People Having Trouble Accessing Healthcare	21.0%	F	D
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	50.8%	F	D
Percent of Income Spent on Fixed Costs beyond Housing	56.8%	C-	C-

F SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	9.9%	F	D+
Unemployment Rate	6.1%	D-	D-
Food Insecurity Rate	22.9%	F	C

D+ SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	23.7%	D+
Inadequate Standard of Living	33.3%	D+

C SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	C	D

CANADA

D-

OVERALL GRADE

CONTEXT

People from all across Canada are facing increasing poverty and unprecedented rates of food insecurity. From coast-to-coast-to-coast, nearly a quarter of people are facing food insecurity and one in ten live in poverty. Though the federal government has taken some much-needed steps toward addressing affordable housing since the last report cards were published, people in Canada need policies and solutions that offer immediate relief if there is any hope of reducing their struggle.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Canada received an overall grade of D- in this section, which is a decline from the D grade it received in 2023. This suggests that people are struggling with poverty and the cost of living more in 2024 than they were in 2023.

As the Canadian grades are largely influenced by the provinces' performance, the report card for Canada will tend to reflect the average performance in each indicator. Therefore, none of the grades in this section stand out as particularly worse or better than those of other governments.

Canada received three failing grades this year. It failed in housing affordability, access to health care, and adequacy of government supports. These failing grades suggest that Canada is facing a systemic crisis in both health care and housing, and that the supports available to help residents are woefully inadequate. More than 2 in 5 (43.6%) respondents across the country report paying 30 per cent or more of their income on housing—an increase of 7.2 percentage points compared to last year—and 1 in 5 (21%) struggle to access health care.

While Canadians are spending only slightly more of their income on fixed costs outside of housing (+0.5 percentage points compared to 2023), households with annual incomes of $75,000 or less are still spending 57 per cent of their income on essentials outside of housing. Combine this with the high number of households that are paying more than 30 per cent of their income on shelter and we can see that many Canadian households have little, or even no, money left over at the end of the month.

CANADA

D-

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

Canada, like nearly half of the provinces, received an F for this section, which is a significant decline from the C-; it received in 2023. Quebec, which received a B-, is the only province that received a grade higher than a D-.

Every province, except Quebec, received failing grades for poverty. Furthermore, poverty has also worsened in every region of the country. In Nova Scotia and New Brunswick, the poverty rate increased by more than 4 percentage points in just one year. Across the country, nearly 1 in 10 (9.9%) people live in poverty—an increase of 2.5 percentage points from 2023.

Every province—except Quebec—also received failing grades for food insecurity. The nationwide increase in food insecurity is concerning in itself, but the rapid pace at which it is increasing can only be described as alarming. Six provinces saw their food insecurity rate grow by 5 percentage points or more, with Saskatchewan's food insecurity rate increasing by nearly 8 percentage points in 2024 compared to 2023. Across the country, more than 1 in 5 (22.9%) people experience food insecurity, up from 18.4 per cent last year.

These figures reflect a widespread and deeply concerning trend of increasing food insecurity and poverty throughout the country. Every province received a lower grade for this section in 2024 compared to last year, with the exception of Nova Scotia and Saskatchewan, which received the same grade. This tells us that all the provinces, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, all of which is resulting in a lowered standard of living.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Canada received a D+ grade in this section. This reflects trends in material deprivation seen across the country. The majority of provinces received grades in the D range, two provinces – Newfoundland & Labrador and Nova Scotia – received failing grades, and three provinces received grades in the C range, which were the highest grades in the country.

Across Canada, our data suggests that those in PEI and Quebec experience the highest standard of living, to the Material Deprivation Index, while those in Newfoundland & Labrador and Nova Scotia experience the lowest standard of living.

Unfortunately, almost nearly one-quarter of the people living in Canada are missing three or more items that are considered necessary for a decent standard of living, indicating they experience a severely inadequate standard of living. Additionally, a further 33.3%, or one-third, of people report missing two items, suggesting an inadequate standard of living.

CANADA

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

After a disappointing report card in 2023, the federal government took a step in the right direction in 2024. Most notably, it introduced substantial housing and health care-related policies. The housing policy represents the most significant effort to address housing challenges by a federal government since the 1990s. However, the government has failed to introduce significant measures that would provide immediate and urgent support for households that are currently experiencing poverty and financial stress.

Key Actions:

- Made many housing-related announcements on the back of a new housing plan, called ***Canada's Housing Plan***. Among the announcements were:
  - A series of agreements with cities across the country to spur tens of thousands of housing construction projects through the Housing Accelerator Fund over the next three years.
  - Innovative strategies to increase the housing supply, including the ***housing design catalogue*** initiative and an ***Affordable Housing Innovation Fund*** to develop and ***test new home-building strategies*** to help streamline development.
  - Removal of the GST on new rental housing construction through the new ***Affordable Housing and Groceries Act***.
  - Reforming the ***Apartment Construction Loan Program*** to allow post-secondary institutions to access these loans to build more student housing.
- Paused the ***carbon tax on home heating oil***.
- Announced implementation details for the ***Canadian Dental Care Plan*** (CDCP).
- Introduced the first phase of ***national universal pharmacare in Canada***, which aims to provide universal, single-payer coverage for contraception and diabetes medications, and announced plans to establish a fund for diabetes supplies.
- Announced many new bilateral health agreements based on a ***shared vision*** with the provinces and territories.
- Announced plans for the Canada Disability Benefit in the budget, which is set to roll out starting in summer of 2025.
- Committed funding for a National School Food Program.

Investments in housing and health care will ensure that future Canadians can experience a high standard of living. Many of the actions taken to address housing challenges will have a positive long-term impact on the supply of affordable housing across the country. Housing is the largest fixed cost that every household in Canada must pay for, and the gravity of the housing crisis requires a robust response. While the challenges are far from over, the changes announced since the 2023 report cards are a strong initial step in the right direction and set an example for the provinces.

Similarly, health care saw some good progress in the past year. However, the effectiveness of the pharmacare and dental care programs will depend greatly on their implementation and a strong commitment to growth over time. The pharmacare program is quite limited, and while it represents a positive step forward, it will have little impact on overall poverty rates.

CANADA

OVERALL GRADE

Overall, little has been done to help people who need support right now. This is particularly concerning because, with housing costs still rising and inflation continuing to crush household finances, there is a very real need for immediate relief. In addition, poverty and food insecurity rates are rising. Food insecurity is at its highest level ever, with almost one-quarter of the country being food-insecure. This is unacceptable, and numbers like these should elicit urgent and effective action from governments.

This year, the federal government failed to provide much-needed relief to people who are struggling and left millions of Canadians to face the struggles of the day on their own.

For the above reasons, Canada receives a C for this section. This grade is a step up from last year's D, but it sends a signal that there is still much more to be addressed. Canada has introduced some very helpful measures in housing and health but has almost entirely neglected other areas of need. If this trend continues, vulnerable Canadians will continue to slip deeper into poverty.

CANADA

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

While Canada experienced a success story in poverty reduction in the second half of the 2010s, the tides have since turned, and rates of struggle, in terms of both poverty and food insecurity, are on the rise.

In each of the provincial and territorial profiles we compare how the reality of poverty varies across each jurisdiction and how local progress has varied over time in relation to the national average.

At a national level, we can summarize poverty in Canada as a story in which not everyone is equal. The latest data, from 2022, indicates that roughly 1 in 10 Canadians live in poverty, but when the rates of poverty are broken down by specific groups, we can see they are clearly inequitably distributed:

1. Age

Across Canada, 8.5 per cent of children live in poverty, which represents a drop of more than 52 per cent in the previous five years, much greater than the national average for all age groups. However, while there has been great progress on child poverty since 2015—specifically thanks to the Canada Child Benefit—one-third of food bank visits still come from children.

Thanks to the success of Canada's retirement income system, fewer than 1 in 20 seniors (4.7%) live in poverty, which is a drop of about 40 per cent over the same period. However, this group is facing a new risk—the cost of living has risen dramatically, and their fixed incomes may now be stretched too thin—and it appears that their rate of poverty may now be on the rise, as their representation in food banks has risen in the past three years.

In 2021, the Canadian census reported that Poverty rates among young Canadians (aged 18-24) and working age adults were higher at 14 per cent and 9 per cent respectively, compared to 7.4 per cent for Canada as a whole. Governments have typically overlooked this group during the policy creation process. For context, between February and April 2024, 25 per cent of people aged 18–24 had to access a food charity of some kind because of a lack of money—compared to the overall figure of 8 per cent of all people in Canada.

2. Household structure and living situation

The risk of living in poverty is highest among Canadians who live alone (21.5%) or who are single parents (14.1%). Food Banks Canada has been paying close attention to these two groups for many years, as they represent a disproportionate number of food bank visitors. In March 2023, 17.3 per cent of food bank visits came from single-parent families and roughly 44 per cent came from people who live alone.

3. Racial status

About 1 in 4 Canadians who identify as belonging to a visible minority (also known as being racialized) live in poverty (26.5%). British Columbia (34.4%), Ontario (34.3%), and Alberta (27.8%) have the highest poverty rates for this demographic.

CANADA

D-

OVERALL GRADE

Overall, racialized people are struggling across all categories when compared to non-racialized people. Nearly half (47 per cent) of respondents to our national poll who identified as racialized agreed that it is difficult to access stable employment opportunities in their communities, while only 28 per cent of non-racialized people made the same observation. Racialized people are also more likely than non-racialized people to say that low wages are affecting their ability to make ends meet. Over half (54%) of respondents who identify as racialized agreed with that statement, compared to 33% of people who did not identify as racialized.

Racialized people are also more likely (40 per cent) to experience mental health challenges that impact their ability to find work compared to 27 per cent of non-racialized people.

4. Indigenous Peoples

Approximately 12 per cent of those who identify as Indigenous live in poverty. While this is still a significant figure, it represents a drop of 50 per cent since 2015, when nearly 1 in 4 Indigenous people were categorized as living in poverty. Over this same period, the overall poverty rate in *Canada fell by 30%*. Poverty among Indigenous peoples is highest in the three Prairie provinces, where rates range between 14 per cent and 15 per cent. Overall, Indigenous people are still overrepresented in food banks—12 per cent of all visits are from someone who identifies as First Nations, Inuit, or Métis, but these three groups combined comprise only 5 per cent of the overall population in Canada.

1 IN 4
Canadians are facing food insecurity

44%
of Canadians who visited food banks in March 2023 lived alone

1 IN 10
Canadians live in poverty

27%
of Canadians who identify as racialized live in poverty

These inequities are in part a reflection of demographic differences, but they are also rooted in policy choices. The much lower levels of poverty among seniors and children—groups that have been the predominant focus of policymakers over time—offer some hope that the federal government has the capacity to solve poverty for all Canadians, while also reinforcing the need for more comprehensive action.

Poverty is not simply the absence of income; it is about not being able to fully take part in your society. To paraphrase poverty researcher Peter Townsend, when people, families, or communities can't afford the food, activities, and living conditions that are normal or encouraged in their society, they're considered to be in poverty.

CANADA

D-

OVERALL GRADE

So, poverty It is also the lack of opportunity and being locked out of activities that a person with an adequate standard should be able to access in a country as wealthy as Canada. As a result, throughout this report we also look at how provinces vary in terms of access to education, childcare, labour force attachment, housing status, and cost of living pressures. These indicators all play a significant role in whether someone can access a job that pays well and live in a stable situation that ensures they do not fall into or poverty or become trapped there.

INFLATION AND HOUSING COSTS

In this year's report we place a particular focus on the impact of inflation and housing costs. With Canada's housing crisis continuing, the largest cost that every person in the country must face has grown to levels that are unsustainable for many people. Recent inflationary pressures have intensified the financial pressure, with many people struggling to afford everyday necessities like purchasing food and paying their bills.

Over 1 in 3 people in Canada agree that it is difficult to keep up with the cost of rising rents—and this figure jumps to 54 per cent among racialized Canadians. These numbers represent a year over year increase of 6 and 11 percentage points, respectively. Additionally, the number of racialized Canadians reporting that it is difficult to find adequate housing jumped by 8 percentage points from last year to 38 per cent.

Data on core housing need ends in 2021, so this partially limits our ability to see how Canadians have been faring since the Bank of Canada began hiking interest rates that year. Between 2018 and 2021, the proportion of Canadians living in core housing need—that is, their housing was physically unsuitable and/or they were financially vulnerable because they were paying more than 30 per cent of their income toward shelter costs—declined from 8.5 per cent to 7.2 per cent. This decline, although encouraging, was predominantly concentrated among households who already owned a home (-28.6% overall and -38.5% among first-time homebuyers). There was also a decline among those living in rental accommodations, but this decline was much more modest (-9.6% overall and -14% among those in social housing). Despite this, our national survey found that a staggering 44 per cent of Canadians are paying 30 per cent or more of their income on housing.

Over the past year, rent and food costs have increased considerably, which has placed a significant burden on families. While the rate of increase has moderated compared to its peak in 2022, the impact on basic affordability for people with low incomes is still severe and punishing. Nearly 2 in 5 people in Canada report that low wages are affecting their ability to make ends meet. This is an increase of 7 percentage points since 2023. For racialized Canadians, the picture is much worse—54 per cent report that they are in this situation, which is an increase of 13 percentage points. Similarly, 32 per cent of people in the country are struggling to access fresh and affordable food in 2024.

Recent data is showing us that it is not only people with low incomes who are struggling. This year, 44 per cent of people in Canada are feeling worse off than they did one year ago.

As of December 2023, shelter cost had increased by 6 per cent compared to the year prior, with a much bigger increase for renters (7.7%) compared to those who own a home (6.7%). Nova Scotia and Alberta even saw double-digit increases (12.9% and 12.1%, respectively), even though these provinces both have total rent costs that are generally ***at or below the average national price***. These dynamics reinforce our overall concern that unless governments at all levels take further policy action, any progress made to date could be swiftly undone.

CANADA

D-

OVERALL GRADE

OTHER CONTRIBUTING FACTORS

Finally, Canadians are also struggling in several less-recognized ways. For example, poor mental health is both a symptom and a cause of poverty and low incomes. Nearly 1 in 3 people in Canada say that their mental health is having a negative effect on their ability to find work, work effectively, and maintain their finances. Related to this is the increasing struggle with addiction in communities across the country. A staggering 52 per cent of people say that addiction is an issue in their community that needs to be addressed. Our governments must do more work to highlight the relationships between mental health and poverty and develop strategies to eliminate poverty with these factors in mind.

Of course, government solutions can only be effective if people can access them. Across Canada, 47 per cent of people have difficulty navigating the tax system and are unaware of what tax benefits they are eligible for. This number jumps to 55 per cent among people who are racialized. Furthermore, nearly one-quarter (23%) of people in Canada say that they struggle to access the social services they need, while 1 in 3 (34%) racialized people say the same.

When they were asked how poverty should be reduced, the top priorities for Canadians as a whole included reducing the cost of food, strengthening health care, reducing taxes on households with low incomes, and reducing the cost of utilities. Among racialized people, the priorities were similar, but they also noted a need for upskilling and training opportunities.

While many related issues require the attention of the federal and provincial governments, the contributing factors discussed above provide some insight into the most important levers in terms of the development of poverty reduction policies.

CANADA

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Canada's poverty reduction strategy mandates the federal government to strive to achieve a 50 per cent reduction in poverty by 2030 compared to 2015 levels. While this objective was almost achieved during the COVID-19 pandemic, it is unlikely that this progress will be maintained, and poverty rates are already increasing as pandemic supports unwind and the full effects of the inflation and affordability crisis are felt. The recently released ***Canadian Income Survey*** demonstrated that Canada is indeed taking backward steps—poverty rates increased by over 2 percentage points and food-insecurity rates increased by nearly 5 percentage points between 2021 and 2022.

The challenge for policymakers is to ensure that the significant progress made since 2015 is not lost but improves.

Last year we introduced 25 recommendations for how the federal government could build on the progress it has achieved and meaningfully reduce and eliminate poverty once and for all. Limited action was taken on some of our recommendations, with the most important developments being Canada's latest housing plan to accelerate affordable housing construction and the passage of the *Canada Disability Benefit Act* last June, followed-on by an implementation plan slated for the summer of 2025.

On housing, the government has experimented with a wide variety of tools to help slow down and ultimately end the housing affordability crisis. While the National Housing Strategy made some progress in this area in its early days, a chronic lack of housing supply limited how much these efforts could alleviate price pressures.

Since taking on the housing challenge with renewed commitment last summer, the federal government has ***removed GST on purpose-built rentals*** (as we recommended last year), sought to reduce development charges and build gentle density, ***deployed and since topped up its Housing Accelerator Fund***, and signed funding deals with many municipalities. It has significantly ***expanded low-cost loan financing for market rental housing*** providers, introduced significant ***new tax write-offs for investments in purpose-built housing***, and pushed the provinces and territories to adopt a ***Renters' Bill of Rights***. While we particularly welcome the federal government's using its convening and spending power to help accelerate the development of affordable housing, the Renters' Bill of Rights itself falls short of meaningful reform, as renter regulations are primarily under provincial jurisdiction.

In the lead-up to the 2024 federal budget, the government announced its new ***Canada's Housing Plan***, which represents the second iteration of the NHS from 2017. The plan is described as the most comprehensive housing strategy in Canadian history—and that is likely true, if all of it is fulfilled and all governments work together. The federal government deserves credit for acknowledging this problem and acting with renewed purpose, but its efforts will be meaningless if it cannot get all stakeholders to act together.

One very promising reform announced to date in the Canada's Housing Plan is a new ***public lands strategy***. This strategy flows from our recommendation last year that the federal government consider the creation of a public development corporation that would help to leverage public land, work with non-profits to acquire and secure buildings at risk of losing affordable rental units and help deploy innovative finance tools to kick-start a large amount of construction. While the government has stopped short of creating a separate development corporation,

the increased mandate it has given to the Canada Lands Company, the comprehensive review of National Defence and Canada Post properties that it calls for, and the creation of the Canada Builds program are all driven by the same ambition and intent.

Beyond housing, action on the part of the federal government has been inconsistent and inadequate. While several helpful policies have been introduced since the last report card (see below), many of them are too long-term to help address the high level of need today, lack sufficient financial commitment to make a real difference, or do not go far enough to address the root causes of poverty.

Since 2021, the federal government has taken a mixed approach to income support, with its objective largely being to preserve the standard of living for Canadians with low incomes amid high inflation. Over the last two years, several one-time measures have been introduced, including continued partial enhancement of the GST credit, including a one-time Grocery Rebate, and a one-time broad-based Canada Housing Benefit. In Budget 2024, the government chose not to renew the GST tax credit enhancement and instead shifted some—but, crucially, not all—of this fiscal space over to the new Canada Disability Benefit (CDB).

Budget 2024 indicated that the federal government intends to move forward with a design of the CDB. In its current proposed form, it will cost $1.4 billion per year and provide up to $200 per month in additional support—but only to people who are currently eligible for the Disability Tax Credit. While the implementation of the CDB is something that Food Banks Canada has advocated for years, its proposed structure falls far short of the expectations that the government itself created and of the consensus among disability advocates. The benefit is unlikely to have any real impact on direct poverty reduction, although it may help to reduce the extent of poverty experienced by some people who will remain poor. It will be vital for the government to continue to invest in building the benefit in future budgets, as has been done with child benefits.

As the *Parliamentary Budget Officer has demonstrated*, the cost of a program like the CDB is highly dependent on whether provinces and territories claw back a portion of their existing investments. All levels of government must work together now to ensure Canadians with disabilities receive the maximum amount of support.

With an insufficient CDB being introduced and the lack of a GST tax credit enhancement in this budget, most Canadians who are struggling today will continue to struggle without reprieve for the foreseeable future. The data in this report and beyond have shown that people in Canada are facing an unprecedented level of struggle. The government must take this situation seriously and recognize that the need for an effective response is highly time sensitive. The implementation of a permanent GST tax benefit would be the fastest and most effective way by far to get money to people all across the country who have low incomes and are struggling. Food Banks Canada has *proposed a Groceries and Essentials Benefit*, an idea that was initially suggested by the *Affordability Action Council*. Without a program like this, we fear that food insecurity and poverty rates will continue to skyrocket.

The federal government also announced a new National School Food Program, backed by a $1 billion investment over five years, in its 2024 budget. The aim of the program is to provide meals to 400,000 children who do not number among the *2 million children* who already participate in existing programs.

CANADA

D-

OVERALL GRADE

Finally, the 2024 budget also included important new measures to ***automate enrolment for the Canada Learning Bond***. This measure, while long-term, will help to give the next generation of children from families with low incomes a chance of breaking the generational cycle of poverty.

Meanwhile, in the last year, the government has taken no action to initiate the long-promised modernization of employment insurance. Further action in this area remains crucial, particularly in terms of access to EI, so that all workers are well protected as we face the prospect of an economic slowdown over the next year.

In our recommendations last year, we encouraged the federal government to place a renewed focus on the social determinants of health. It has taken some important steps in this direction, with commitments to increase supports for mental health services for young Canadians and the introduction of the national school food program, as discussed above. Although they are not universally accessible, these are important developments—but it is important to recognize that they deal with the symptoms of poverty rather than the causes. Budget 2024 also made some ***targeted investments to increase support to Nutrition North***, as we recommended previously, but the federal government needs to undertake a broader review of the program.

CANADA

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

IMPROVE THE ADEQUACY OF SUPPORTS FOR PEOPLE IN NEED

1. In advance of the next federal election, all parties should commit to continuing to enhance the proposed CDB so that it has a real impact on poverty reduction.

NEW POLICY

- The CDB should provide adequate payments that are in parity with similar robust benefits—for example, benefits for seniors—and, ideally, provide value equal to or above the MBM line.
- In defining the MBM line for people with disabilities, the government and Statistics Canada should study and account for the impact of inflation on people with disabilities and their higher costs of care and basic needs.

In the 2023 report card, we recommended that the federal government bring the CDB into place no later than early 2025. While plans for the benefit have been released, they will not take affect until summer of 2025 and they do not include the consideration of the two requirements listed above.

2. Immediately introduce a Groceries and Essentials Benefit to help Canadians with low incomes who are struggling today.

NO PROGRESS

In accordance with the model introduced by the Affordability Action Council, this benefit should be upheld using the GST tax credit policy lever.

3. In the short term, give all households with low incomes access to the non-cash benefits that are currently only available to people who receive social assistance (e.g., childcare subsidies, affordable housing supplements, drug and dental insurance).

NO PROGRESS

4. Make single adults with a low income a priority consideration in all future poverty reduction measures, including an expanded and modernized EI, to ensure that this population is no longer left behind.

NO PROGRESS

As part of this change, the government should set a clear timetable for when it will bring forward EI modernization reforms, as they have been continually promised since the 2020 Speech from the Throne.

CANADA

D-

OVERALL GRADE

5. Develop new mental health programs and strategies that include a specific focus on the impact of low incomes on mental health and the acute needs of single working-age adults, people with disabilities, and people living with addictions.

NO PROGRESS

The federal government has *acknowledged* the link between income and health but has not gone so far as to introduce new and targeted strategies on the topic. As the federal and provincial Ministers of Health move forward with shared health priorities, as outlined in the funding framework agreed to earlier this year, these commitments should be done in partnership with all provinces.

6. Ensure all federal benefits are indexed to inflation and that agreements with provincial governments explicitly forbid clawbacks of provincial social supports for new federal benefit programs.

NO PROGRESS

AFFORDABLE HOUSING

7. Examine the potential for a national rent assistance program, delivered collaboratively with the provinces and territories as part of the federal-provincial housing agreements.

NO PROGRESS

In the development process, the government should consider:

- Using a model based on Manitoba's Rent Assist program.
- Exploring the National Housing Accord report on affordable rentals, *recommendation 9*.

8. The federal government should fulfill its promise to develop tools that address the costs of housing, including a review of the tax treatment of residential real estate investment trusts (REITs) and other large corporate owners. This extra revenue can be used for subsequent investments in affordable housing.

IN PROGRESS

As part of this work, the government should consider ways to preserve or limit tax benefits to help establish conditions that deepen affordability for people who are currently paying market rent and/or provide guidelines on rent increases and renovictions.

9. Leveraging its inventory of public lands, and working in collaboration with municipalities and provincial governments, set a target for opening up properties for the possible conversion or development of affordable housing. As part of this, consider innovative approaches such as using Canada Mortgage and Housing Corporation, Canada Lands Company, or similar entities, to assess the potential for a public development corporation that would enable governments to fully leverage their balance sheet, reduce the cost of construction, and in turn make housing more affordable.

ACHIEVED

While the federal government did not achieve this policy recommendation exactly as written – specifically in regard to the creation of a public development corporation – the spirit of the recommendation has been achieved through the new housing plan for Canada.

CANADA

D-

OVERALL GRADE

10. Establish a national acquisition fund that complements the recently announced Housing Accelerator Fund to support community-targeted funding for the acquisition of affordable housing. In other words, provide capital funding (loans and grants) to non-profits so they can purchase and provide rental properties at or below the median market rent.

ACHIEVED

As part of Canada's Housing Plan, the federal government has established the Canada Rental Protection Fund to allow non-profit and other community housing providers to acquire and preserve affordable housing.

11. Building on its *recent commitments to tackle development charges*, the federal government should work with the provinces to help support a new fiscal relationship with cities and communities that would ultimately enable the elimination of all development charges and help spur new affordable housing.

NEW POLICY

12. Introduce new investments to help address an important omission of the National Housing Strategy and build supportive housing for people who have mental and physical health disabilities, particularly among populations that are marginalized or living with low incomes.

IN PROGRESS

The recently updated National Housing Strategy alludes to this ideal by announcing nearly one billion dollars over five years in funding for "deeply affordable housing, supportive housing, and shelters for our most vulnerable". Details are still unclear on the plans for this funding or how it will be targeted specifically.

13. Work with the provinces and territories to develop targeted and coordinated tax policies to spur the development of purpose-built market rental housing and complement the recent decision to remove the GST from new rental housing construction.

ACHIEVED

Through passing the *Affordable Housing and Groceries* Act in late 2023, the federal government removed GST on new qualifying rental housing and has encouraged provinces to follow suit.

14. Introduce an action plan to support students—particularly international students—who are struggling with housing and food insecurity.

IN PROGRESS

The plan must include:

a. A funding stream that universities can access to build and develop more affordable student housing. The government has extended low-cost financing through the Apartment Construction Loan Program and the removal of GST on purpose-built rental housing to the construction of student housing. However, no dedicated funding has been made available for the construction of student housing.

b. Awarding an appropriate number of student permits to institutions based on their ability to prove that adequate affordable housing is available to all international students.

c. Collecting data on student housing through Statistics Canada to inform better decision-making.

Although the government didn't create a new funding source for developing additional student residencies, they did extend the federal tax exemption for new rental apartments to include new student residencies.

CANADA

D-

OVERALL GRADE

WORKERS WITH LOW INCOMES

15. **Develop a new program within EI that specifically supports older workers (aged 45–65) who lose their employment at a later age and may need specific training and education programs to help them re-enter the workforce.**

NO PROGRESS

16. **Permanently broaden the EI qualifying definition of "employment" to include self-employment and precarious work.**

NO PROGRESS

17. **Review and reduce the number of qualifying "hours of employment" needed (currently between 420 and 700 hours of insurable employment) to better reflect the nature of modern jobs and working situations.**

NO PROGRESS

Include a specific stream for seasonal workers who may work as few as 12–16 weeks a year.

18. **Immediately expand the Working-While-on-Claim (WWC) provisions in EI to allow workers to retain more of their income from temporary/part-time work while on EI without losing benefits or having their income clawed back.**

NO PROGRESS

19. **Extend the maximum duration of EI benefits beyond 45 weeks to 52 weeks, followed by a staggered reduction in cash benefits while retaining access to non-cash EI supports (such as training and education) so that people are not forced into our broken and grossly inadequate provincial social assistance system once their EI benefits run out.**

NO PROGRESS

20. **Work with the provinces and territories to reduce clawbacks and improve harmony between social assistance and EI.**

NO PROGRESS

21. **Offer improved support to workers who are currently employed and have a low income.**

NO PROGRESS

- Improve the Canada Workers Benefit (CWB) by increasing the maximum payout, especially for people who are earning below the poverty line, and ensure this integrates effectively with similar provincial tax credits such as Ontario's Low-Income Individuals and Families Tax Credit (LIFT).
- Introduce government incentives to encourage businesses to pay living wages to all employees.

CANADA

D-

OVERALL GRADE

NORTHERN AND REMOTE FOOD INSECURITY AND POVERTY

22. Examine options for improving the design of the Northern Residents Deduction (NRD).

NO PROGRESS

The government has revised the NRD twice since 2015 to assist people in the North with the high cost of living. While each revision has been a welcome development, as a tax deduction, the NRD benefits people with higher incomes more than it benefits those with lower incomes. Making it a progressive, refundable deduction would better help those in need and reduce poverty in areas where it is highest, while maintaining a basic degree of assistance for all Northerners in recognition of the differential cost of living. If developed properly, the new and improved NRD could be the basis for a regional minimum income floor.

23. In collaboration with Indigenous communities and organizations, the government must continue to review Nutrition North Canada to determine why the program is only minimally achieving its objectives of reducing the cost of food in the North and explore innovative ways in which the program can better support communities.

NO PROGRESS

24. Working in partnership with local groups, create a Canada-wide Northern development and revitalization plan that is focused on the research and development of regional programs that aim to train workers and grow commerce in strategic economic sectors like tourism, natural resources, and local/regional business.

IN PROGRESS

As part of this plan, work with territorial and Indigenous governments to develop a long-term community infrastructure vision that will close gaps in access to housing, food production, and broadband Internet to ensure a degree of parity with the standard of living that Canadians in the south enjoy.

25. Develop funding for a national program of community-based representatives whose focus is on connecting their communities to funds and resources that are available to communities in the North but are too often unused because people do not know they exist. These representatives would provide an opportunity for knowledge-sharing between communities across the North.

NO PROGRESS

26. As part of the federal government's Critical Minerals Strategy, there must be a clear focus on the development of community infrastructure in Northern communities such as housing, educational institutions, and broadband Internet; the localization of economic and community benefits so that local residents benefit from these projects; and the development of incentives and strategies to retain capital in the North and reduce the reliance on temporary workers.

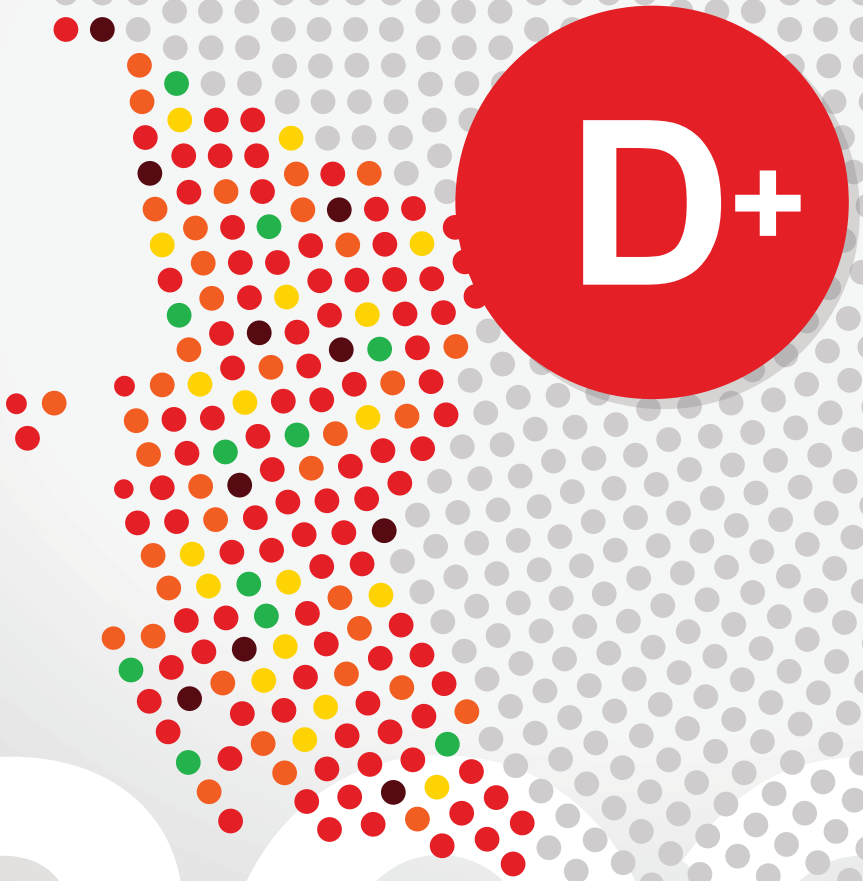
NO PROGRESS

27. Offer additional training for remote work skills and a rebate for the purchase of work-from-home supplies.

NO PROGRESS

Food Banks Canada

Banques alimentaires Canada



BRITISH COLUMBIA

2021

BRITISH COLUMBIA

D+

OVERALL GRADE

D- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	45.0%	D	D-
People Paying More than 30% of Income on Housing	46.6%	F	F
People Having Trouble Accessing Healthcare	27.3%	F	C-
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	60.7%	F	F
Percent of Income Spent on Fixed Costs beyond Housing	52.6%	B	B-

D- SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	11.6%	F	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	42%	D-	D-
Provincial Disability Welfare as a Percentage of the Poverty Line	62%	D+	D+
Unemployment Rate	5.5%	D	C-
Food Insecurity Rate	21.8%	F	B-

D SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	24.6%	D
Inadequate Standard of Living	33.6%	D+

B SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	B	C

BRITISH COLUMBIA

D+

OVERALL GRADE

CONTEXT

The BC government is coming off a strong year of legislative action on housing affordability and poverty reduction planning. Still, there is much to be done, especially in relieving financial stress for people today. As residents of the province will head to the polls in 2024, it will be important for poverty and food insecurity to surface as top election issues to ensure strong progress continues.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

British Columbia received an overall grade of D- in this section, the same as it received in 2023. A key contributor to this outcome was three failing grades, for housing, access to health care, and adequacy of government supports.

Like the rest of the country, with the exception of PEI, BC received a failing grade for housing. The similarity of grades across the country for this indicator suggests that Canada is experiencing a systemic housing affordability crisis. In BC, 46.6 per cent of respondents said they spend more than 30 per cent of their income on housing, an increase of 7.5 per cent points from the year prior. BC has the highest proportion among all the provinces of people reporting that housing is unaffordable. While it scored best among the provinces for the percentage of income spent on fixed costs outside of housing, on average, residents still spend more than 50 per cent of their income on fixed costs like Internet, transport, groceries, and utilities. This suggests that, after paying for the essentials, many in the province have very little, or even no, income left over each month.

BC also received a failing grade for health care. Compared to respondents in the similarly large provinces of Ontario and Quebec, respondents in BC experience significantly more trouble accessing health care—27.3 per cent compared to 16.4 per cent and 13.5 per cent, respectively. The province also scores lowest for the percentage of people who receive government support and say that rates are inadequate. The rate of 60.7 per cent for this indicator is nearly 7 per cent higher than in the next worst province, Ontario, and more than 15 per cent higher than in Quebec.

BC, along with much of the country, is struggling overall in this section. And for most indicators, it performs worse than Ontario and Quebec.

The province's grade may have remained unchanged this year, but it is deeply alarming that this is the second year in a row that BC has had the highest housing costs of all the provinces. These two points suggest that living conditions have either remained the same or are getting worse in the province.

BRITISH COLUMBIA

D+

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

BC received a D- for this section, which is slightly lower than the D the province received in 2023. Despite this low result, BC received a better grade than half the country, including Canada, which received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

In BC, a significant portion of the population, nearly 12%, are living below the official poverty line, as determined by the Market Basket Measure. This is an increase of nearly 3 percentage points compared to 2023. Every province except Quebec received a failing grade for poverty.

Beyond BC's disappointing poverty rate, the province also received a failing grade in food insecurity. Last year the province received a B-. More than 1 in 5 of British Columbians (21.8 per cent) are experiencing food insecurity in 2024, a 5 percentage point increase compared last year. This year, every single province except Quebec received a failing grade for food insecurity. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including BC, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Compared to other provinces, BC has a slightly below standard of living according to the Material Deprivation Index. It received a D for this section, lower than the national grade of D+.

BC performed slightly worse than similar large provinces, Ontario and Quebec, who received a D+ and C grades, respectively.

Nearly one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, just over one-third report missing two items, suggesting they experience an inadequate standard of living.

REPORT CARD SECTION 4: **LEGISLATIVE PROGRESS**

Despite strong commitments to poverty reduction measures, the ripple effect of having the country's most unaffordable housing is putting enormous strain on BC. This year, the province has taken some action to increase the housing supply and to support vulnerable residents.

BRITISH COLUMBIA

D+

OVERALL GRADE

Key Actions:

- Announced new 10-year targets for reducing overall, child and senior poverty through proposal to the *Poverty Reduction Strategy Act*.
- Introduced a *robust housing plan* that includes billions of dollars for new affordable housing. Also introduced *rent caps*, restrictions on *short-term holiday rentals*, support for *renters with low incomes*, new *zoning* rules, supports for *municipalities*, and more.
- Made several smaller affordability commitments, such as eliminating *childcare waitlist fees*, increasing the *minimum wage*, and introducing the *B.C. Electricity Affordability Credit*.
- Took some action on food insecurity, including providing funding for *critical food infrastructure* and *rural food security*, and allocating funds to Food Banks BC and the Public Health Association of BC for *Northern communities*.

This year, BC has become a national leader in housing. It has established a robust blueprint for fixing housing by focusing on three interconnected themes: streamlining regulations for faster development and higher density, allocating extra funds to municipalities for adjusting to regulatory shifts and funding essential infrastructure for new developments, and making substantial investments in affordable rental housing through initiatives such as BC Builds. Despite this leadership, however, more decisive action is still needed because of the scale of the crisis. According to the Canada Mortgage and Housing Corporation (CMHC), BC faces a significant housing supply gap and needs an estimated *570,000 new homes to be built by 2030* to restore affordability. This is approximately double the current rate of construction.

Given the time required to build new homes, housing construction offers limited immediate relief to people who are currently struggling. While an increase in the minimum wage protects workers from inflation, individuals who receive social assistance still face challenges, as rates lag behind the cost of living. Nearly 60 per cent of people who rely on social assistance say rates are too low to keep up with the cost of living.

For the above reasons, British Columbia received a B for this section. The government has introduced legislation that should lead to positive outcomes for residents with low incomes. In particular, it has introduced a very ambitious housing plan. However, it needs to take more action on social assistance rates and look at ways to bring immediate relief to those who are experiencing poverty and food insecurity today so that their circumstances do not deteriorate.

BRITISH COLUMBIA

D+

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

BC's poverty rate is substantially higher than the national average (11.6 per cent compared to 9.9 per cent).

The poverty rate among seniors in BC is 6.4 per cent overall and 14.3 per cent among seniors who live alone. Poverty among this group has declined about 15 per cent slower than in the rest of the country since 2015, which is worrying. Overall, the poverty rate for those who lived alone was 24.5 per cent in 2021, which is higher than the Canadian rate of 21.5 per cent for this group.

Lone women with children have a poverty rate of 17.8 per cent, which is higher than the national rate (14.4 per cent). The poverty rate for couples with children is 5 per cent.

The poverty rate among children and youth tells a diverging story. Although overall child poverty is significantly lower in BC than the national average (8.6 per cent, compared to 10.3 per cent), the poverty rate among youth aged 18–24 is 4 percentage points higher in BC (18 per cent) than nationally (14 per cent). This likely reflects the impact of transfer programs such as BC's own top-up to the CCB, which has been a key driver in reducing child poverty across the country. Youth who are not parents, by contrast, do not have access to these benefits to aid with the high cost of living in the province, likely contributing to their high rates of poverty.

11.6%
poverty rate in BC is substantially higher than the national average of **9.9%**

14.5%
of Indigenous British Columbians are considered to have a low income

41%
of BC residents say that social assistance rates are not high enough to keep up with the cost of living

1 IN 10
BC households claim being in shelter that is too costly for their means

POVERTY AND INEQUALITY IN BC

Despite being one of Canada's wealthiest provinces, BC struggles with significant income inequality and housing affordability issues, particularly in urban centres like Vancouver. Indigenous peoples, racialized people, and marginalized groups face disproportionate barriers to economic opportunities and social services, which highlights the need for targeted policies to address systemic inequities. For example, 14.5 per cent of Indigenous British Columbians are considered to have a low income, compared to 8.8 per cent of BC's overall population.

BRITISH COLUMBIA

D+

OVERALL GRADE

The poverty rate among the Indigenous population in BC was 16.8 per cent in 2022, which is similar to the rate for this group in Canada as a whole (17.2 per cent). It was 20.6 per cent among First Nations people in BC and 12.1 per cent among Métis.

According to the 2021 census, the rate of poverty among racialized people in BC is 13.2 per cent. In addition, immigrants, recent immigrants, and first-generation immigrants (born outside of Canada) experience poverty rates of 10.4 per cent, 15.7 per cent, and 15.5 per cent, respectively. Non-permanent residents (people who have a work or study permit or have claimed refugee status) experience a poverty rate of 41.3 per cent, which is similar to the rate experienced by non-permanent residents in Canada as a whole.

LABOUR AND EDUCATION

Unemployment (5.5 per cent) and labour force participation (65.3 per cent) rates in BC are similar to the national averages. There are no signs of BC's labour market being uniquely challenged with the exception that the province is home to the highest rate of people who say that upskilling and training workers is very important to them—45 per cent compared to 40 per cent nationally.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 10 per cent of youth in BC were in this situation. The rate was higher among men (13 per cent) than women (8 per cent).

Access to affordable, high-quality childcare is an important barrier that prevents many families from being able to participate in the labour market. While the amount that families pay for childcare has declined across Canada since the federal Early Learning and Child Care Framework was established, BC's progress has lagged considerably compared to the rest of the country. The average fees paid by families ***in BC declined by 6 per cent between 2019 and 2023, compared to 12 per cent nationally*** during that time. This appears to be closely related to the difficulty associated with getting access to a subsidized space. As a result, a ***much higher percentage of BC parents or caregivers who are experiencing difficulties reduce or change their hours of work*** to take on these care responsibilities themselves compared to people in a similar position elsewhere in the country.

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in BC increased by 3.4 per cent, which is on par with the country as a whole. The price of food experienced an increase by 5.4 per cent in BC, which is very close to the national average of 5 per cent.

Shelter costs in BC, which was already the most expensive housing market in Canada, continued to increase above the national average in December (6.4 per cent in BC compared to 6.0 per cent across Canada). Rent increased by 8.6 per cent, which is slightly higher than the increase in Canada as a whole (7.7 per cent). The costs of owning a home increased by 6.7 per cent. The high cost of housing is reflected in a high level of core housing need, with about 1 in 10 households being in shelter that is too costly for their means.

BC has the highest rate of people who say that social assistance rates are not high enough to keep up with the cost of living—41 per cent compared to 30 per cent in Canada as a whole.

BRITISH COLUMBIA

D+

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Over the last year the BC government devoted considerable attention to a number of comprehensive housing policy reforms through its recently launched BC Builds plan. While the government claims to have supported the construction of nearly *78,000 housing units since coming to office in 2017*, the CMHC estimates that the province's housing supply gap has become worse over the last year. To achieve housing affordability, the federal housing agency now estimates that at least 860,000 more housing units must be built in BC by 2030. This is an increase of 240,000 units compared to CMHC's estimate in 2022.

Notwithstanding this lacklustre progress with respect to actual construction, the province has developed an ambitious and aggressive housing plan that is *widely regarded as among the best in Canada*. Consistent with a key recommendation we made last year, the provincial government has put forward a number of incentives to assist with the development of more purpose-built market rental housing, *including access to low-cost loans using government-backed borrowing*. This will help many British Columbians who are already struggling in the private market. Most importantly, the government's plan means these units come with affordability targets so that *at least 20 per cent are targeted for 20 per cent below-market rent*. In addition, BC has made sweeping changes to zoning laws to legalize greater density and enable housing developers to construct more housing without going through lengthy approval processes.

This past year also saw the rollout of the long-promised refundable tax credit for renters, *which provides $400 in assistance*. As we highlighted in our recommendations last year, it has taken nearly seven years to introduce this credit and the amount offered has not been updated to reflect the significant rise in shelter costs during that time. While it is a welcome first step, the government must reconsider the credit's purpose and design in light of today's very different housing market, which appears to be worsening.

One housing policy tool the province has not yet used relates to the cost of housing construction as a result of development charges and fees. *In Vancouver, it is estimated that these fees add $1.3 million to the cost of a single, detached home*. The fees were *increased by more than $10,000 per housing unit in Metro Vancouver last fall*, which resulted in a temporary impasse between the federal government and local leaders over access to the federal Housing Accelerator Fund.

Later this year, BC residents will go to the polls and elect their next provincial government. Despite the current affordability crisis, the 2024 provincial budget made no new commitments to target poverty reduction. However, it is spending $1 billion on a one-time tax credit that will help families save an average of $100 on their electricity bills. This is a very large expenditure, spread very thinly, that will mostly help middle- and upper-income households heading into the election period.

BRITISH COLUMBIA

D+

OVERALL GRADE

Notably, though, the provincial budget did also announce a temporary, one-year bonus for the BC Family Benefit, which will provide more than $400 in additional support. ***This will bring the combined maximum benefit to nearly $2,200 for the first child***.

As the provincial election draws closer it will be important to look at what, if any, commitments each political party makes with respect to poverty reduction. The province previously committed to providing a ***revised poverty reduction strategy*** in "spring 2024." In March 2024, it tabled legislation for a revised 2018 Poverty Reduction Strategy with updated 10-year targets to reduce overall poverty and child poverty, new targets to reduce senior poverty, and changes to employment requirements for income and disability assistance. These are positive first steps and we look forward to seeing the full, revised strategy.

BRITISH COLUMBIA

D+

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY AND AMBITION

1. Introduce a new poverty reduction strategy with the goal of reducing poverty by 50 per cent by 2030.

IN PROGRESS

It is imperative that the province introduce its revised poverty reduction strategy before the election so that all British Columbians can decide for themselves whether it is adequate. The strategy should include a plan to bring BC's poverty rate down to, or below, the national average for every major demographic by 2030.

To support the revised strategy, the plan should include a requirement that:

a. every two years, the province provide an interim update that forecasts the likelihood that the strategy's goals will be achieved, and

b. Cabinet put forward additional measures to address any gaps between the plan's targets and results if and when they arise. This approach reflects current practices around climate budgeting in the environmental movement which have proven successful in increasing the effectiveness and stringency of policy action over time.

2. Require each political party to respond to the expert panel on basic income.

NO PROGRESS

During the forthcoming provincial election campaign, each major political party should be asked to indicate which of the expert panel's recommendations they would and would not implement, and why. This would provide a much-needed basis for policy debate about whether BC should ultimately move toward a basic income program or accelerate practical changes in income security policy that could improve the quality of life for residents who have low incomes. The broadcast consortium, which televises the provincial leaders' debate this fall, should ensure these questions are put to each party leader.

HOUSING

3. Maintain BC Housing's capital budget at a minimum of $1.2 billion per year until 2030 and index it to inflation.

NEW POLICY

BC has an urgent need for more housing, but the gap between what is being built and what is still needed is widening at a rapid pace. In 2024, *the province will spend $250 million less on capital projects at BC Housing compared to 2022*. An investment of $1.2 billion would help to create an additional 750 units per year until 2030.

BRITISH COLUMBIA

D+

OVERALL GRADE

4. **Develop a new fiscal framework that directs municipalities to use their surpluses to build affordable housing and prohibits them from generating surpluses greater than 2 per cent of total revenues while maintaining current tax levels for the next five years.**

NEW**POLICY**

BC municipalities have relatively low property tax rates and large surpluses. ***In 2022, BC municipalities had a combined $3.5 billion in excess revenues***, in addition to significant reserve funds and cash. Municipalities must respond to the current housing crisis with the urgency it requires and not leave money on the sidelines accumulating interest.

While the framework is being implemented, municipalities should be required to spend half of their excess cash position over the next five years, and any additional surplus created during that time, on the construction and operation of affordable housing. This would unlock billions of dollars of new investment in affordable housing at no greater level of taxation than is currently levied.

CHILDCARE

5. **Increase access to childcare by working with the federal government to invest an initial combined $260 million per year ($130 million each) to help hire more childcare providers and build more spaces.**

NEW**POLICY**

While the cost of care has come down, early learning and childcare (ELC) is still not available to everyone who needs it. Too many parents are missing out on well-paying work opportunities because there are not enough childcare spaces. This in turn means that both the economy and families lose out. Last year, about 15,000 parents stayed at home or delayed returning to work because of insufficient access to childcare.

INCOME SECURITY

6. **Work with the federal government to deliver automatic tax filing.**

NEW**POLICY**

Canadians who have low incomes are missing out on billions of dollars' worth of potential benefits because they are not filing their tax returns. BC has the third-highest rate of non-filing in the country. This is problematic because eligibility for a number of provincial programs, including the recently established rent assistance program, is dependent on a verification of taxable income.

BC should take a leadership role in working with the federal government to operationalize its commitment to develop approaches for automatic tax filing that would enable Canadians with low incomes to access the benefits they are entitled to. As a first step, BC should enable data-sharing with the Canada Revenue Agency so that every recipient of provincial assistance can file a simple declaration of income and automatically view eligibility for both federal and provincial benefits. This could potentially save the provincial government money and help unlock significant financial resources for those in the province who are particularly financially challenged.

BRITISH COLUMBIA

D+

OVERALL GRADE

7. Take a leadership role in the success of the Canada Disability Benefit.

NEW POLICY

With the federal government's log-anticipated announcement of the Canada Disability Benefit (CDB) to be launched in summer 2025, provinces will now play a critical role in the success—or failure—of the CDB given the potential implications for claw back on any new income that an individual receives. At minimum, BC should guarantee that there will be no attempt to claw back federal support from provincial residents in any way, and ideally the province should also look to use the CDB as a platform to integrate a variety of its own programs.

8. Index all provincial social benefits and credits and increase social assistance rates for single people by at least 10 per cent.

NO PROGRESS

Despite successful poverty reduction efforts targeted towards demographics such as children, there has been no similar action to address the needs of the high proportion of single British Columbians who are living in poverty—for example, nearly 1 in 3 single adults aged between 18 and 64 are currently living in poverty in BC.

9. Reduce claw backs on low-income workers and introduce a new provincial earnings supplement.

NO PROGRESS

Although BC recently increased the earnings exemption for people who receive income assistance, workers with low incomes still face relatively high rates of benefits claw back. To reduce this barrier to accessing good, stable employment, BC should examine the cost of introducing a provincial earnings supplement like Ontario's Low-Income Individuals and Families (LIFT) credit and the federal Canada Workers Benefit (CWB). This could be incorporated as a key objective in the next iteration of the province's poverty reduction strategy, with the goal of closing the poverty gap with the rest of Canada.

Food Banks Canada

Banques alimentaires Canada

ALBERTA

2024

ALBERTA

D-

OVERALL GRADE

SECTION 1 GRADE D-
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	46.2%	D-	F
People Paying More than 30% of Income on Housing	44.9%	F	D+
People Having Trouble Accessing Healthcare	20.8%	F	C-
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	47.2%	D-	D-
Percent of Income Spent on Fixed Costs beyond Housing	59.9%	D-	B-

SECTION 2 GRADE F
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	9.7%	F	D
Provincial Welfare as a Percentage of the Poverty Line (Singles)	32%	F	F
Provincial Disability Welfare as a Percentage of the Poverty Line	37%	F	F
Unemployment Rate	6.3%	D-	D
Food Insecurity Rate	27.4%	F	F

SECTION 3 GRADE D+
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	24.2%	D+
Inadequate Standard of Living	34.9%	D

SECTION 4 GRADE F
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	F	C

ALBERTA

D-

OVERALL GRADE

CONTEXT

Despite being the nation's wealthiest province, Alberta has not introduced investments that will sufficiently tackle the ongoing housing and affordability crisis. As such, the province has declined or stagnated in nearly all indicators this year.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Alberta received an overall grade of D- in this section, a slight decline from the D it received last year. A key contributor to this change was two failing grades: one for housing and one for access to health care.

Like the rest of the country, apart from PEI, Alberta received a failing grade for housing. The similarity of grades across the country for this indicator suggests that Canada is experiencing a systemic housing affordability crisis. In Alberta, 44.9 per cent of respondents said they spend more than 30 per cent of their income on housing. This is a 29 per cent point increase from 2023, when 34.8 per cent of people said the same, and is the second-sharpest increase in the country, with only Manitoba scoring worse with an 11.4 per cent point increase.

Just over 1 in 5 (20.8 per cent) residents revealed this year that they had trouble accessing health care, an increase of 5.8 per cent points over the previous year. This took Alberta's grade for this indicator from a C- to an F. The percentage of their income that people spend on fixed costs after housing also increased this year, from 54.5 per cent to 59.9 per cent, which means people are spending proportionally more on fixed costs like Internet, transport, groceries, and utilities. Given that 44.9 per cent of people spend more than 30 per cent of their income on housing, many in the province most likely have very little, or even no, income left over each month after they have paid for essentials.

Alberta, along with much of the country, is struggling in this section. While it performs slightly better than neighbouring Saskatchewan, it is still slightly behind Manitoba. The results for this section suggest that living conditions in Alberta have declined over the past year. Alberta has historically enjoyed a lower cost of living, which somewhat made up for its lack of sufficient government support, but as living conditions across the country have relatively levelled, this lack of adequate support has become a source of concern.

REPORT CARD SECTION 2: POVERTY MEASURES

Alberta received an F grade for this section, which is a decline from the D- the province received in 2023. Nearly half the provinces, including Canada, received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

ALBERTA

OVERALL GRADE

In Alberta, nearly 1 in 10 residents (9.7 per cent) live below the official poverty line, as determined by the Market Basket Measure. This is an increase of nearly 2 percentage points compared to 2023. Despite this, Alberta still has the second lowest poverty rate in the country. Every province except Quebec received a failing grade for poverty.

The province also received a failing grade in food insecurity. More than a quarter of residents (27.4%) experience some level of food insecurity, up from 1 in 5 in 2023. This year, every single province except Quebec received a failing grade for food insecurity. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including Alberta, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Alberta has a similar standard of living to the national average, according to the Material Deprivation Index. It received a D+ for this section, the same as the overall Canada grade.

Compared to similar western provinces, Alberta performed slightly better than Saskatchewan and slightly worse than Manitoba, who received D and C- grades respectively.

Nearly one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, over one-third report missing two items, suggesting they experience an inadequate standard of living.

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

It has been ***more than a decade*** since Alberta introduced a poverty reduction strategy, when it set a target to eliminate child poverty and reduce overall poverty. However, those targets were not reached and, furthermore, the province has made few substantial commitments to address the rising cost of living or housing costs this year. Where it has made social investments, the amount it has given has often been far too inadequate to make a real impact. Without a comprehensive plan and long-term government commitment, poverty will likely remain a persistent challenge for Albertans.

ALBERTA

D-

OVERALL GRADE

Key Actions:

- Invested in *repairing affordable, government owned housing* and supporting *community housing providers*.
- *Indexed AISH, Income Support, and ASB to inflation*. Rates increased by 4.25 per cent on January 1, 2024.
- Created *more childcare spaces* in collaboration with the federal government and achieved *an average cost of $15/day for childcare*.
- Established significant *health care reforms* and a one-billion-dollar *bilateral agreement* with the federal government to improve health care over three years.
- Provided *$10 million* in funding to food banks and community organizations.

While indexing social assistance to inflation is a positive move, *rates were de-indexed in 2019*, and the recent rate increase is the first since 2019. Although the 4.5 per cent benefit increase is helpful, it does not account for the significant inflation in the post-COVID-19 era, particularly in food costs, which have increased by 26.9 per cent (comparing *February 2019* to *February 2024).*

Although Alberta has increased operating budgets for housing providers and allocated $16 million for affordable housing repairs, it has not announced any major new housing developments. Historically one of the most affordable provinces, Alberta now has among the highest housing costs in the country. Nearly half of Alberta residents (44.9%) spend 30 per cent or more of their income on shelter. Rent has *surged by 20 per cent* in the last year, partly because there are no rent controls, which makes life precarious for people who rent. Alberta's population is growing quickly, and so the province must build more housing to avoid the shelter affordability problem becoming worse. However, the government has not responded with the required urgency to meet the scale of this issue.

For the above reasons, Alberta received an F for this section. The government has taken a positive step by indexing social supports, but this change still leaves people worse off than they were in 2018. A continuing lack of legislative action on affordable housing and renter protection will likely result in worsening financial conditions for residents in the province.

ALBERTA

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Alberta is the richest province in Canada and has a poverty rate that closely matches the national average (9.7 per cent), but progress on poverty reduction has been far slower in the province than in the rest of the country. Census data suggests that between 2016 and 2021, poverty fell one-third slower in Alberta than the national average. This is likely because of the outsized importance of natural resource activity to the provincial economy, which often results in dramatic economic shifts in response to changes in global commodity prices.

About one-quarter of Alberta's population are children (under 18). The child poverty rate in Alberta is 9.4 per cent, which is slightly higher than the national average (8.5 per cent) and declined far slower in the province than elsewhere in the country between 2016 and 2021. Children represent 35 per cent of the food bank visitors in the province, which is disproportionately high.

Youth (aged 18–24) represent 8 per cent of Alberta's population, and their poverty rate was 13 per cent, which is similar to the rate for this group in Canada as a whole (14 per cent).

Seniors in Alberta face similar age challenges to those faced by this demographic in other provinces. However, while the poverty rate for seniors (5.9%) is similar to the national rate (5.6%), seniors living alone in Alberta face a 17.7 per cent poverty rate, higher than the national rate of lone seniors, which is 13 per cent.

35%
of the food bank visitors in Alberta are children – a disproportionately high amount

12.1%
increase in rent in Alberta (second highest among the provinces)

93%
of people in the province say that reducing the cost of utilities is important to them

1 IN 5
food bank visits in Alberta come from someone whose main income source is a job

People who live alone experience a higher rate of poverty (20.3 per cent) than other groups in Alberta, much as they do across the country. Lone parents have a poverty rate of 17.6 per cent, which is noticeably higher than the national rate for this group (14.4 per cent) and over three times the poverty rate among couples with children (4.5 per cent).

Although poverty reduction in Alberta was slower for virtually every demographic compared to their counterparts on a national basis, the gap in progress between Alberta and Canada as a whole is widest among people who are living or parenting alone. Between 2015 and 2020, poverty reduction among both single parents and people living alone was 60 per cent less than for people living in couples, with a significant gender dimension.

ALBERTA

D-

OVERALL GRADE

This gap was most pronounced among single men. Poverty reduction among men living alone in Alberta was one-fifth that of the national average. Single-person households among youth and near-retirees (aged 55–64) were the most vulnerable to not seeing any gains in poverty reduction. This likely reflects the overall economic conditions between 2016 and 2021 and a corresponding lack of available resource jobs, ***which have traditionally helped to reduce income inequality by creating good middle-class jobs***.

LABOUR AND EDUCATION

As of March 2024, the unemployment rate in Alberta was 6.3 per cent, which is slightly higher than for Canada as a whole (6.1 per cent). Meanwhile, the percentage of people who were participating in the workforce was also higher in Alberta—69.5 per cent compared to 65.3 per cent nationally.

However, while Alberta remains ahead of the national average on employment rates, its leadership position has deteriorated significantly over the last decade. Between December 2014 and December 2023, labour force participation across Canada declined slightly (0.6%), mostly because of changes in demographic composition. In Alberta, the decline was more than five times that pace (-3.4 percentage points). Today, over 1 in 5 food bank visits in Alberta come from someone whose main income source is a job. This is one of the highest rates in the country, and it is growing more rapidly than rates for many other demographics.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 11 per cent of youth in Alberta were in this situation.

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in Alberta increased by 3 per cent, which was slightly slower than in Canada as a whole (3.4 per cent). Increases in food costs also reflected the national trend rate.

Shelter, however, tells a more complicated story. ***While Alberta boasts some of the cheapest rental accommodations in the country***, costs are rising faster in the province than elsewhere. The cost of shelter increased by 7.7 per cent in Alberta, year over year, in December, which is significantly higher than the rate for Canada as a whole (6 per cent). In addition, the 12.1 per cent increase in rent in Alberta was the second highest among the provinces (after Nova Scotia). Forecasts for 2024 suggest ***Alberta will see the fastest rent growth*** nationally.

The cost of owning a home increased by 7.8 per cent, which is a much greater increase than the national average (6.7 per cent) and reflects a greater vulnerability among Albertan households to fluctuating interest rates and mortgage costs.

As a result of these increased pressures, people in Alberta are looking for more ways to save. A staggering 93 per cent of people in the province say that reducing the cost of utilities is important to them. This is the highest rate in the country for this factor.

ALBERTA

D-

OVERALL GRADE

About 9.9 per cent of Albertans live in core housing need. Between 2018 and 2021, any decline in core housing need was concentrated among people in affordable housing units where rent costs are directly subsidized (reduced by 21.2 per cent, to about 1 in 4 renters) and homeowners who were not carrying their first mortgage (reduced by 42.3 per cent to 3 per cent). This speaks to an underlying polarization in housing costs, particularly among younger households and people who cannot afford to own a home but are unable to access an affordable housing unit.

The increase in housing costs and rents is likely a by-product of Alberta's rapid population growth, combined with a deterioration in its ability to build fast enough. As Alberta's population has continued to climb, the gap in housing starts needed to achieve affordability conditions has grown worse. The recent update to CMHC's housing supply model forecasts ***80,000 fewer housing units by 2030*** compared to its 2022 forecast.

A lack of financial security is a major challenge for visitors to Alberta's food banks. ***A recent survey among visitors to Edmonton food banks*** found that nearly half of them run out of money by the second week of the month, and almost none of them have any retirement savings or any other major form of financial asset on which to live.

POVERTY AND INEQUALITY IN ALBERTA

Despite Alberta's reputation as an economic powerhouse, there are significant disparities in income and opportunity in the province. Indigenous populations, immigrants, and racialized people face higher poverty rates and more limited access to resources than other groups.

Indigenous Albertans who are over 16 years old are more than twice as likely to have a low income as non-Indigenous Albertans (16.3 per cent compared to 7.5 per cent). The poverty rate among the Indigenous population in Alberta was 13.8 per cent in 2021, which is higher than the rate for this group in Canada as a whole (12 per cent). The poverty rate of 17.6 per cent among First Nations people in Alberta is also higher than the national rate (14 per cent). Métis in Alberta have a poverty rate of 10.5 per cent, slightly higher than the national rate (9.2 per cent) for Métis people.

The rate of poverty among all racialized people in Alberta is 9.5 per cent, which is lower than the 2021 rate in Canada as a whole (12.1 per cent). In addition, poverty rates among immigrants, recent immigrants, and first-generation immigrants (born outside of Canada) are 7.9 per cent, 13.7 per cent, and 10.3 per cent respectively. ***Research has shown*** that immigrants to Alberta tend to be more economically resilient during economic shocks compared to similar cohorts in Vancouver and Toronto. This proved true during the commodities recession in 2016 and likely explains why poverty rates among these demographics, while higher than for non-racialized groups, are lower in Alberta than across Canada.

Racialized households in Alberta are also significantly more likely to spend more than 50 per cent of their income on housing. The Canadian Rental Housing Index reports that Korean, Chinese, and West Asian households in Alberta are at least twice as likely to be in this situation as non-racialized households are.

ALBERTA

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Despite committing to a *poverty reduction strategy* a decade ago, Alberta has not made the effort required to meaningfully address the conditions that create poverty in the province. Its 2013 strategy aimed to eliminate child poverty within five years (from a rate of 17%), but the province adopted no formal target for overall poverty reduction. Successive provincial governments have taken only modest, and at times contradictory, policy steps to address this priority. This is reflected in the province's comparatively slow decline in poverty since 2015. Despite its admirable and ambitious target to eliminate child poverty, the most recent data (2021) shows that the rate remains high at 7.5 per cent, which is above the national average of *6.4 per cent*. Furthermore, the reduction that has been seen is attributable *primarily to the impact of the federal Canada Child Benefit* (CCB).

Although the province is the wealthiest in Canada, the level of income supports provided to its most vulnerable residents is *among the lowest*. For people who live alone, assistance rates are the third lowest in the country, although rates for people who rely on disability assistance or have children are middle of the pack compared to other provinces. However, Alberta's disability assistance, AISH (Assured Income for the Severely Handicapped), *has been criticized* for being *difficult to access*.

Affordability has been a major concern for Albertans for some time. In the provincial election held last spring, the governing party made no commitments with respect to poverty reduction but did make a signature promise to provide approximately *$1 billion per year in tax relief* by establishing a new tax bracket of *8 per cent on the first $60,000 in income*. The government has since *delayed this commitment by about three years*, arguing that it cannot afford to make this investment given current fiscal conditions.

In last year's report we recommended that the provincial government use two key approaches to increase investments in affordable housing:

- Expand rent supplement assistance so that it properly serves all Albertans in need in the rental market. This would reflect the actions of other provinces, including *Nova Scotia*, *Newfoundland and Labrador*, and *Manitoba*.
- Set an ambitious goal of dedicating 0.5 per cent of provincial expenditure each year for the construction of new affordable housing.

While the province has not implemented these recommendations to the extent we suggested, the recently tabled 2024 budget does dedicate a modest amount to go toward the construction of affordable housing: *the province plans to invest an additional $254 million over three years* to help build 3,300 units and complete an additional 1,800 currently under construction.

Alberta does not have a rental control guideline. A *recent private member's bill* that is currently before the provincial legislature proposes to institute a temporary rent increase cap and establish guidelines for rent increases going forward. However, the provincial government has said it *does not support rent control, so progress on this bill will likely be limited*.

ALBERTA

D-

OVERALL GRADE

In response to the affordability crisis, the province introduced indexation of provincial welfare incomes in 2023. While this is a much-welcomed step, it is not enough to cancel out the impact of ***significant inflation over the past few years***. Alberta's disability assistance, AISH, ***was deindexed in 2019***. While reindexing it helped recipients cope to some extent with 2023's inflation rates, it did not take into account inflation in the intervening years, which reached a high of 8 per cent in June 2022. The 2024 budget forecasts a flat-lining in provincial funding for employment and income support at $789 million, despite a significant uptick in demand through the end of the 2023 fiscal year.

Access to childcare continues to be a significant challenge for many families in Alberta. The Canadian Survey on Early Learning and Child Care found that nearly half (48%) of Alberta families with children aged 0-5 ***struggle to find affordable childcare***, compared to the national average of 41%. While the province has committed to increasing access to and the affordability of spaces in line with the national early learning and childcare framework, ***it has hesitated to make additional investments*** to follow through on these commitments in light of inflation.

ALBERTA

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY AND PLANNING

1. Introduce an updated provincial poverty reduction strategy with real targets.

NO PROGRESS

The lack of a comprehensive plan with clear goals and indicators in Alberta has stymied the ability of governments and stakeholder to work together with a common vision. If poverty reduction is to keep pace with rates in the rest of Canada, the provincial government must develop a strategy that will let it focus properly on the necessary investments in housing, income support, childcare, training, and job creation.

2. Develop a long-term infrastructure plan to meet the needs of a growing population, in line with the updated poverty reduction strategy.

NEW POLICY

Alberta is the fastest-growing province in Canada because the cost of living is lower than in many other parts of the country. Maintaining the balance of growth and affordability while continuing to reduce poverty will be difficult if population growth continues to outstrip the province's ability to build affordable housing and community infrastructure.

AFFORDABLE HOUSING

3. Expand the Temporary Rent Assistance Benefit to all Albertans who are waiting for affordable housing.

NO PROGRESS

With approximately 24,000 Albertans currently waiting to be placed in subsidized affordable housing, the Temporary Rent Assist program should be expanded beyond people who have recently become unemployed to help prevent Albertans from falling further into poverty or becoming unhoused.

4. Establish a Housing Accelerator Fund with dedicated new funding of at least 0.5 per cent of the province's annual operating and capital budgets.

NEW POLICY

The funding could be divided across multiple streams to provide a combination of supports to non-profit providers to acquire land and preserve existing rental stock, extend capital subsidies, and provide tax-related incentives to market developers to include a dedicated share of affordable units as part of new projects.

Had the province followed our recommendation last year, there would now be close to $1 billion in additional funding available over the next three years.

5. Establish a permanent rent control guideline.

NEW POLICY

The provincial government should amend and adopt Bill 205 and implement it alongside increased investments in affordable housing.

ALBERTA

D-

OVERALL GRADE

ADEQUATE INCOME SUPPORT

6. Transform the $600 affordability payment into a comprehensive Alberta Family Benefit that supports all working households earning less than $50,000.

NO PROGRESS

As part of the province's affordability plan, Alberta previously announced one-time payments of $600 to seniors and families with children earning less than $180,000. A future government should make this payment permanent, but as part of a comprehensive earnings supplement for families earning up to twice the poverty line.

7. Increase Alberta's income assistance to at least match 2019 levels and commit to future increases that will bring it in line with more generous provincial assistance plans.

IN PROGRESS

Last year, we recommended that Alberta index income assistance and increase rates by six per cent. While rates were not increased by six percent, they were indexed. For Albertans who are not permanently disabled, social assistance rates are among the least generous in Canada—less than 40 per cent of the poverty line for a single person living in Calgary. While the provincial government recently introduced indexation, it does not close the gap in purchasing power that emerged during the early days of the Covid-19 pandemic.

DECENT WORK THAT PAYS

8. Raise the minimum wage to $17/hour and index it to inflation going forward.

NO PROGRESS

Albertans have not seen an increase in the minimum wage since 2019, even as inflation has surged. BC recently increased its minimum wage to $16.75/hour. Albertans could benefit from a similar increase without jeopardizing jobs or competitiveness with regional employers in western Canada.

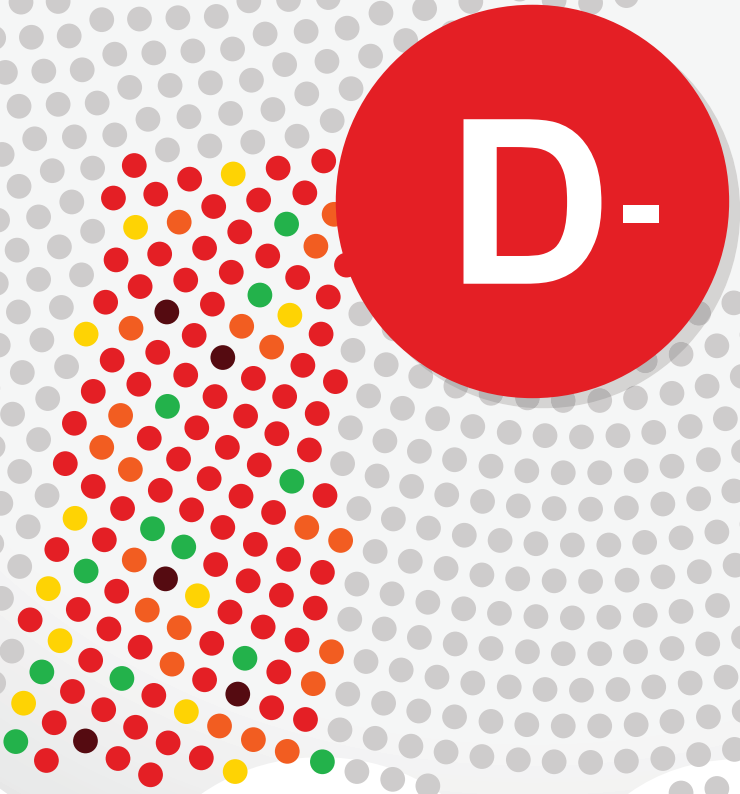
9. Introduce an Alberta Opportunities Award for Albertans on low incomes who are transitioning to pre-apprenticeship training.

NO PROGRESS

A job that pays a good, livable wage is one of the most enduring ways to reduce poverty. Given the province's stated objective to increase opportunities in the skilled trades and reduce job vacancies, we recommend the provincial government introduce a new Alberta Opportunities Award for Albertans on social assistance who seek out pre-apprenticeship training and/or continue on to a full classroom-based training program. In recognition of their commitment, the province would provide a one-time award of up to six months of social assistance support paid in two instalments, the first upon enrolment and the second after a period of continuous enrolment. This program could be funded in part by the Canada Alberta Job Grant.

Food Banks Canada

Banques alimentaires Canada



2024

SASKATCHEWAN

SASKATCHEWAN

D-

OVERALL GRADE

F SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	49.7%	F	F
People Paying More than 30% of Income on Housing	38.9%	F	D-
People Having Trouble Accessing Healthcare	18.7%	D	F
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	49.4%	D-	F
Percent of Income Spent on Fixed Costs beyond Housing	62.1%	F	D+

D- SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	11.1%	F	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	45%	D	D
Provincial Disability Welfare as a Percentage of the Poverty Line	62%	D+	D+
Unemployment Rate	5.4%	D+	C-
Food Insecurity Rate	28.0%	F	D

D SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	25.6%	D
Inadequate Standard of Living	35.9%	D-

F SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	F	D

SASKATCHEWAN

D-

OVERALL GRADE

CONTEXT

People in Saskatchewan responded to this year's national survey with a clear message – they're struggling to keep up with the cost of living and aren't getting the support they need form their government. Without action soon, Saskatchewan risks being the second province to receive an overall failing grade in the next year's Poverty Report Cards.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Saskatchewan received a failing grade in this section, tying with Newfoundland and Labrador for the worst-performing provinces. A key contributor to this outcome was the three failing grades it received for housing costs, people feeling worse off than the year prior, and the percentage of income spent on fixed costs.

Like the rest of the country, with the exception of PEI, Saskatchewan received a failing grade for housing. The similarity of grades across the country for this indicator suggests that Canada is experiencing a systemic housing affordability crisis. In Saskatchewan, 38.9 per cent of respondents said they spend more than 30 per cent of their income on housing. In 2023, the figure was 36 per cent.

At 62 per cent, Saskatchewanians spend the highest percentage of their income on fixed costs outside of housing, meaning people are spending more on fixed costs like Internet, transport, groceries, and utilities as a proportion of their income. This is an increase of around 4 per cent points from the year before, when the rate was 58 per cent. This is especially concerning considering that nearly 4 in 10 residents spend more than 30 per cent of their income on housing, and so many in the province are likely to have very little, or even no, income left over each month after they have paid for the essentials.

Compared to residents in neighbouring Alberta and Manitoba, more people in Saskatchewan feel worse compared to the year prior. This earned Saskatchewan an F grade, compared to Alberta's D- and Manitoba's C+. However, Saskatchewan has slightly lower housing costs than its neighbours. Two indicators also improved slightly. Fewer people had difficulties accessing health care and just under half (49.4 per cent) of people who receive government supports stated that supports were inadequate, compared to 58.5 per cent last year. However, this decline is relative, and the rate is still far too high.

Saskatchewan's overall failing grade for this section suggests that residents' standard of living has declined sharply over the past year.

SASKATCHEWAN

D-

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

Saskatchewan received a D- for this section, the same grade the province received in 2023. Despite this low result, Saskatchewan received a better grade than half the country, including Canada, which received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

In Saskatchewan, a significant portion of the population, more than 1 in 10 residents (11.1%), are living below the official poverty line, as determined by the Market Basket Measure. This is an increase of 2 percentage points compared to 2023. Every province except Quebec received a failing grade for poverty.

Beyond Saskatchewan's disappointing poverty rate, the province also received a failing grade in food insecurity. Last year it received a D. More than a quarter of Saskatchewanians (28 per cent) are experiencing food insecurity in 2024, up from 20.3 per cent last year. Of all the provinces, Saskatchewan experienced the largest increase food insecurity in the past year. In 2024, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Compared to other provinces, Saskatchewan has a slightly below average standard of living according to the Material Deprivation Index. It received a D for this section, which is lower than the national grade of D+.

Saskatchewan performed slightly worse to neighbouring provinces, Alberta and Manitoba, who received a D+ and C- grades respectively.

Just over one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, more than one-third report missing two items, suggesting they experience an inadequate standard of living.

SASKATCHEWAN

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Saskatchewan has made some strides toward poverty reduction in 2024, but it must do more to prevent further hardship. The province updated its social assistance program this year, but there are concerns that the changes have reduced eligibility for support, which will potentially lead to reductions in income levels for some families.

Key Actions:

- Provided minimal affordable housing support through $40 million in funding for *155 new supportive housing spaces, and the new Provincial Sales Tax (PST) Rebate for New Home Construction* to cover some of the PST on newly constructed homes.
- Introduced the new *Saskatchewan Employment Incentive* (SEI) to replace the Saskatchewan Employment Supplement and the Child Care Subsidy.
- Introduced a new five-year $49.4 million *Action Plan for Mental Health and Addictions, and two bilateral agreements with the federal government* totalling $560 million to improve health care over three years and five years, respectively.
- Took several actions to improve affordability, including removing the *carbon tax on electric home heating*, creating more *childcare spaces*, and increasing the *minimum wage*.

The Saskatchewan Employment Incentive (SEI) was introduced to replace the Saskatchewan Employment Supplement (SES) and Child Care Subsidy (CCS). The province stated that existing recipients would be *better off under the new program*, but families now have to earn more money before they qualify for any assistance and may end up with significantly less support than they would have had if they were previously eligible for both the SES and CCS.

Other measures, like carbon tax cuts and modest savings on utilities, may benefit high-income households more than low-income ones. Despite *an increase to Saskatchewan's minimum wage* in October 2023, it remains the lowest in the country, trailing behind that of neighbouring provinces Alberta and Manitoba by $1.00 per hour and $1.30 per hour, respectively.

Although housing is comparatively inexpensive—Saskatoon and Regina are the *least expensive cities* in the country in which to rent a one-bedroom unit - costs are rising sharply. From March 2023 to March 2024, rent in Regina *increased by 17.6 per cent*, which is the fastest increase of any city in the country. Saskatchewan has made no substantial housing announcements and *there are no limits* on how much landlords can raise rents, which has put many residents in an incredibly precarious position.

For the above reasons, Saskatchewan received a F for this section. Given the level of financial struggle in the province, the government must do much more in both the long and the short term. A lack of legislative action on housing and on improving social assistance will likely result in worsening financial conditions for residents in Saskatchewan. With the recent introduction of the SEI potentially reducing the income of families who already have low incomes, Saskatchewan is heading in the wrong direction.

SASKATCHEWAN

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Saskatchewan's poverty rate of 11.1 per cent was slightly higher than Canada as a whole (9.9 per cent). As with the other prairie provinces, the pace at which poverty was reduced in Saskatchewan between 2015 and 2020 was considerably slower than the national average for nearly every demographic group in the province. This may reflect the reality of a commodity-heavy provincial economy—it creates significant numbers of well-paying jobs but can also be very volatile and result in dramatic layoffs.

Saskatchewan faces similar age-related challenges to those of other provinces across the country. For example, seniors who live alone in Saskatchewan have an 8.4 per cent poverty rate, which is more than double the overall rate for seniors of 4 per cent. However, both these numbers are slightly lower than the national average.

2 IN 5
food bank visitors in Saskatchewan are children

19%
of people say low wages are affecting their ability to make ends meet

35%
of Saskatchewanians worry about feeding themselves or their family

1 IN 6
racialized people have low incomes, twice the rate as the non-racialized

The child poverty rate is a different matter, though. About one-quarter of Saskatchewan's population is under 18, giving it the highest proportion of children of any province in the country. This figure is of particular concern given that child poverty in the province is 10.2 per cent, which is notably higher than the national rate of 8.5 per cent. Two in 5 food bank visitors in Saskatchewan are children, the second-highest rate for this group in Canada.

Youth aged 18–24 also have a high poverty rate. At 15 per cent, it is slightly higher than the rate for youth in Canada as a whole (14 per cent).

Among working-aged adults in the province, 9 per cent live in poverty, down from 12 per cent in the previous census. This is particularly important to note because Saskatchewan claims to have the ***lowest tax and housing costs in the country for working parents with two children***. This would suggest that low taxes, while somewhat helpful in terms of affordability, do not on their own create a uniquely competitive foundation for poverty reduction.

In Saskatchewan, 19.3 per cent of people who live alone experience poverty. Similarly, about 19 per cent of single parents in Saskatchewan live in poverty. This is higher than the Canadian rate for this group (14.4 per cent) and more than four times the poverty rate for couples with children in the province (4.2 per cent). One-quarter of all food bank visitors in the province come from single parent families, the highest rate of any province by far.

SASKATCHEWAN

OVERALL GRADE

POVERTY AND INEQUALITY IN SASKATCHEWAN

Saskatchewan struggles with poverty and inequality, particularly among Indigenous populations, single-parent families, Northern communities, recent immigrants, and individuals with some form of disability. Limited access to education, health care, and economic opportunities perpetuates social and economic exclusion.

Racialized people in Saskatchewan are more than twice as likely to have low incomes as people who are not racialized (16.7 per cent compared to 7.6 per cent).

Low incomes have resulted in a poverty rate of 12.8 per cent among racialized people in Saskatchewan. Among recent immigrants, the poverty rate jumps to 18 per cent. Immigrants who are over 16 years old are also nearly twice as likely to have a low income as non-immigrants (14.2 per cent compared to 7.9 per cent).

Meanwhile, non-permanent residents (people who have a work or study permit or have claimed refugee status) experience a poverty rate of 42.9 per cent.

The 2021 poverty rate among the Indigenous population in Saskatchewan is 15 per cent, which is markedly higher than the rate for this group in Canada as a whole (12 per cent). The poverty rate of 20 per cent among First Nations people in Saskatchewan is also higher than the national rate (14 per cent). As for Métis in Saskatchewan, the poverty rate was 10 per cent, slighter higher than the national rate of (9.2 per cent) for Métis people. Notably, while 11 per cent of Saskatchewan's general population lives in overcrowded homes, where there is an insufficient number of bedrooms for the household, more than triple this rate applies to Indigenous individuals (34.3 per cent).

LABOUR AND EDUCATION

On the surface, Saskatchewan's economy looks relatively promising. With a 5 per cent unemployment rate and a workforce participation rate of 68 per cent (as of January 2024), the province is performing better than the national average. Under the surface, however, things are less rosy. Our national poll from this year found that 36 per cent of the province has difficulty accessing stable employment opportunities in their community. This is one of the highest figures for this indicator among all the provinces and a full 6 percentage points higher than the national average.

Furthermore, 43 per cent of people say low wages are affecting their ability to make ends meet, and 1 in 3 report that their mental health is impacting their ability to find work, work effectively, or maintain their finances. In both cases, Saskatchewan is tied for the highest rate of people who responded in this way among all the provinces.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 11 per cent of youth in Saskatchewan were in this situation. Among Saskatchewan adults aged 25–64, 12.4 per cent did not have a high school diploma or equivalent. The rate of under-education among Saskatchewan men is particularly high, at 15.6 per cent.

SASKATCHEWAN

D-

OVERALL GRADE

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in Saskatchewan increased by 2.7 per cent. In that time, the price of food in the province rose by 4.8 per cent. While this food inflation rate is less than that of Canada as a whole, 35 per cent of people in the province worry about feeding themselves or their family compared to 29 per cent nationally.

The cost of shelter increased by 5.2 per cent, which is less than the 6 per cent experienced nationally but still high. Among shelter costs, rent increased by 5 per cent and the costs of owning a home increased by 6 per cent. The lower price pressures on rent reflect the fact that Saskatchewan remains one of the most affordable jurisdictions in the country for rental costs, ***with both Regina and Saskatoon ranked as the most affordable cities in Canada***.

Despite this strong foundation, 8.2 per cent of Saskatchewan residents are in core housing need, which is higher than the national average (7.2 per cent). This is particularly interesting because Saskatchewan has the highest share of social housing among its overall housing stock of all provinces in Canada—8.1 per cent as of Q3, 2023.

However, affordability does not necessarily mean adequate. A 2022 review of affordable housing programs found that in Saskatoon, ***only about 40 per cent of affordable housing units are considered to be in fair condition***. As a result, 18.4 per cent of the Saskatoon Housing Authority's units remain vacant and 19 per cent unoccupied, far exceeding the national averages of 1.5 per cent vacant and 3 per cent unoccupied.

SASKATCHEWAN

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Saskatchewan adopted its most recent poverty reduction strategy in 2016. That strategy set a target of *reducing the number of residents who experience persistent poverty for two years or more by 50 per cent by 2025*. But despite the dramatic economic upheavals caused by the pandemic and inflation, the province has yet to introduce a new strategy. While the overall rate of poverty has fallen across the province, the rate of people who experience persistent poverty remains unchanged. In *2015–16*, 71.3 per cent of residents who entered poverty were still in poverty two years later. The rate was essentially the same in *2021–22*, with 72 per cent of residents who were living in poverty remaining in that situation for more than one year. Given the population growth, this translates into a significantly higher number of people than in 2015. From 2015 to 2021, poverty rates declined by 25 per cent in the province versus nearly 50 per cent across Canada as a whole.

Some of this discrepancy can likely be attributed to the volatility of commodity and resource industries in the province. Although economic output officially contracted last year because of a poor agricultural season, *Saskatchewan has the highest job vacancy rate and one of the lowest unemployment rates in Canada*. For some, this has resulted in significant gains in wealth and a *reduction in household debt*. But others have seen no improvement in their quality of life. For example, food bank usage in Saskatchewan rose by nearly a quarter (24.3%) between 2022 and 2023, as demand increased from modest income households, reflecting the difficulty of making ends meet during the recent inflation crisis. Food insecurity among households with children is also a major concern: Saskatchewan has the highest proportion of food bank users under 18 in the country (40% of all clients compared to the national rate of 33%).

Despite this situation, the provincial government has taken only a limited number of steps to address affordability. While it followed the practice of other provinces by introducing one-time affordability payments in 2022, it did not issue such payments last year. Since *the launch of revised income support programs in 2019*, there have been small and periodic increases to benefits, including a *$30/month increase* to the basic needs payment last year. In addition, Saskatchewan has *yet to index its social assistance programs*, even though *households with higher incomes who pay tax continue to be afforded this treatment*.

The overall generosity of its benefits places *Saskatchewan in the middle of the provincial pack*, and well ahead of Ontario and Alberta. Since the introduction of reforms in 2019, the *overall caseload of beneficiaries has fallen*, despite the significant economic turmoil during the COVID-19 pandemic. While this can be seen as a positive, it may also be indicative of more stringent eligibility standards.

The province has recently devoted additional resources to the creation of a *provincial homelessness and addictions recovery strategy*. It is investing $40.2 million over two years toward interventions for people experiencing homelessness, and $49.4 million over five years toward treatments for people experiencing addictions. The actions taken include an expansion of street intervention, shelter spaces, and in-patient treatment spaces. While this is an important boost to local capacity, *there is some concern* that the funding provided is not enough to meet the growing need in many communities, is not coordinated with the federal homelessness strategy, and *refuses to consider evidence-based interventions for harm reduction* like safe consumption sites.

SASKATCHEWAN

OVERALL GRADE

Although the provincial government has not provided major financial support for the construction of new affordable housing, ***Saskatchewan was second only to British Columbia*** for the fastest increase in the number of affordable, rent-assisted units between 2016 and 2023. This increase has been aided in ***significant part*** by federal funding under the Rapid Housing Initiative and the joint federal-provincial priorities of the National Housing Strategy.

One notable innovation recently introduced by the Saskatchewan government is its ***Secondary Suite Incentive Grant Program***, which provides up to $35,000 per homeowner who makes eligible renovations to their home to add a room or suite for renting. This is one of the most generous renovation grant programs in the country and is only meant to be available for a couple of years to spur new rental supply at a time of low vacancy and increasing rental rates. Unlike Nova Scotia, which requires the secondary unit to be rented at 20 per cent ***below the average market rate*** and forbids the units from being rented on a short-term basis while the homeowner carries an outstanding loan, Saskatchewan has not attached any regulations that would require homeowners to rent out their secondary unit at an affordable rate.

Many residents, particularly in remote and rural areas, lack access to high-speed internet and this has posed a difficult barrier to finding work and earning a decent income. Saskatchewan has the ***second-lowest penetration of broadband services of any province*** in Canada, and the province has taken only limited steps to address this, with no mention of any new investment in Budget 2024.

In the fall of 2024, Saskatchewan will hold a provincial election, and affordability issues are likely to be the focus of significant attention. To date, the official opposition ***has not announced*** what, if any, commitments it will make toward poverty reduction in its forthcoming campaign.

SASKATCHEWAN

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY

1. Update and modernize the 2016 Poverty Reduction Strategy.

NO PROGRESS

Given the significant change in economic conditions since 2016, including the current commodity boom in energy, natural resources, and agrifood industries, it is important that the province refocus its efforts with a better sense of what is needed to close the remaining gaps in poverty reduction.

AFFORDABLE HOUSING

2. Close the repair backlog for affordable housing by committing to repair 500 units per year until the repair backlog is fully exhausted.

NO PROGRESS

The provincial government plans to repair at least 3,290 social housing units between 2019/20 and 2027/28. Despite this goal, it has failed to commit to a target of more than 400 units per year in 2024/25. A renewed commitment of 500 repairs per year will ensure that people who are struggling today get the help they need before it is too late. Once repairs are complete, resources can then be directed at community housing development.

INCOME SUPPORT

3. Ensure that all residents benefit from Saskatchewan's wealth.

NO PROGRESS

Saskatchewan is one of the most prosperous places in Canada, thanks in large measure to its significant resource wealth. Despite this, many people still struggle because they do not have a decent income from work — for example, the province has the highest proportion in the country of food bank visitors who are under 18. As part of the updated Poverty Reduction Strategy recommended above, the province should use some of its resource wealth (which could include a targeted tax on excess profits of large potash producers) and invest in people. **This includes:**

- improving the adequacy of basic income supports,
- introducing increased financial incentives for working, and
- assisting families on low incomes with the cost of raising a child and renting.

The province should use a mix of tools to update the strategy and should pursue a target that would result in no family with a child falling below 85 per cent of the poverty line and no single, employable adult falling below 70 per cent. This would be generally consistent with, if not slightly better than, levels in the early 2000s during the last major commodities boom and before subsequent recessions and inflation eroded purchasing power.

While there has been no coordination of efforts through a poverty reduction strategy, Saskatchewan did introduce a new employment incentive program in late 2023, however, it did come at the cost of two other programs and may result in worse outcomes for low-income families.

SASKATCHEWAN

D-

OVERALL GRADE

4. **Improve and index Saskatchewan's support programs.**

NO PROGRESS

Welfare income for households and individuals alike remains below a livable floor in Saskatchewan. Even parents with children, who potentially have access to some of the most generous support under social assistance, still fall below the deep poverty threshold. While Saskatchewan has taken some steps in recent years to raise social assistance rates, these remain arbitrary and not part of a broader effort to address affordability. The province has not extended its recent re-indexation of income tax brackets and credits to social assistance, which it must do. In concert with our other recommendation for improving the adequacy of benefits for all residents, indexation would ensure that the value of benefits is not eroded by inflation.

INFRASTRUCTURE THAT WORKS FOR PEOPLE

5. **Close Saskatchewan's broadband gap.**

NO PROGRESS

While Saskatchewan has made significant strides in increasing access to broadband services, penetration remains the lowest nationally and is well behind that of neighbouring Alberta. This limits economic opportunity for all residents, particularly those living in rural and remote areas. The province should use its leverage as an owner of SaskTel to direct the corporation to expand its current RuralFibre Initiative, which is already projected to extend the fibre network to about 80 per cent of the province. This plan should focus on raising SaskTel's coverage target to 90 per cent by 2025 and 95 per cent by 2028.

DECENT WORK THAT PAYS

6. **Raise the minimum wage to match Ontario's going forward.**

IN PROGRESS

Saskatchewan's minimum wage is set to rise to $15/hour this year, but that will still leave it trailing behind Ontario's and Manitoba's minimum wages. As one of the richest provinces in the country, with steady and low unemployment, Saskatchewan can well afford to give an important boost to the standard of living of its poorest residents. Matching the Ontario rate and indexing for the Consumer Price Index going forward would be an effective way of helping the most vulnerable groups of the population without sacrificing competitiveness.

Food Banks Canada

Banques alimentaires Canada

MANITOBA

2024

MANITOBA

D-

OVERALL GRADE

D+ SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	39.2%	C+	C-
People Paying More than 30% of Income on Housing	40.1%	F	B+
People Having Trouble Accessing Healthcare	26.9%	F	F
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	34.6%	C	D+
Percent of Income Spent on Fixed Costs beyond Housing	54.8%	C+	D

F SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	11.5%	F	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	37%	F	F
Provincial Disability Welfare as a Percentage of the Poverty Line	52%	F	F
Unemployment Rate	5.0%	D+	C-
Food Insecurity Rate	26.8%	F	D+

C- SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	23.0%	C-
Inadequate Standard of Living	31.6%	C-

F SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	F	C

MANITOBA

D-

OVERALL GRADE

CONTEXT

Manitoba was one of the better graded provinces in 2023, but it has since declined. While it is understandable that a new government will need time to find footing, the clock is ticking and many people in the province are struggling with unprecedented rates of poverty and food insecurity.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Manitoba received an overall grade of D+ in this section, down from the C- it achieved last year, but it still ranked among the best-performing provinces in the country. While it improved its grade in three indicators, its grade for housing affordability dropped sharply from last year, falling from a B+ to an F.

Like the rest of the country, with the exception of PEI, Manitoba received a failing grade for housing. This consistency of ratings across the country suggests that Canada is experiencing a systemic housing affordability crisis. Manitoba's failing grade is particularly striking, though, as the province has led the way on affordable housing for several years thanks to the innovative Manitoba Rent Assist program. However, as in the rest of the country, housing, and rental costs in particular, have skyrocketed in the past year, with 28.7 per cent of respondents saying they spend 30 per cent or more on housing, compared to just 11.4 per cent of respondents last year.

Conversely, Manitoba's grades for fixed costs, adequacy of government supports, and the percentage of people who feel worse off compared to last year all improved. Its grades overall compare favourably to those of its neighbours, Saskatchewan and Alberta. While all three received failing grades for housing, Manitoba scored better on all other indicators except access to health care, where it was bested by Saskatchewan.

The fact that Manitoba has seen improvements on several indicators suggests that if it can limit rising housing prices, conditions for Manitobans could improve with the current measures in place.

REPORT CARD SECTION 2: POVERTY MEASURES

Manitoba received an F grade for this section, which is a decline from the D- the province received in 2023. Nearly half the provinces, including Canada, received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

In Manitoba, more than 1 in 10 residents (11.5%) live below the official poverty line, as determined by the Market Basket Measure. This is an increase of nearly 3 per centage points compared to 2023. Every province except Quebec received a failing grade for poverty.

MANITOBA

D-

OVERALL GRADE

The province also received a failing grade in food insecurity. More than a quarter of residents (26.8%) experience some level of food insecurity, up from 1 in 5 in 2023. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including Manitoba, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well being without looking at income.**

Compared to other provinces, Manitoba has a slightly above average standard of living according to the Material Deprivation Index. It received a C- for this section, the third highest grade in the country after PEI and Quebec, and higher than the national grade of D+.

Manitoba performed slightly better to similar Prairie provinces Alberta and Saskatchewan, who received a D+ and D grades, respectively.

Still, almost one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, just under one-third of the population report missing two items, suggesting they experience an inadequate standard of living.

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

This year, Manitoba elected a new government whose administration announced a progressive plan to prioritize *addressing poverty and MMIWG2S+ and gender-based violence, fostering economic development, and improving children's health*. While there is much hope for this government and its progressive agenda, it has done little since taking office.

Key Actions:

- Invested *$30 million in three complimentary school meal programs*.
- Improved access to health care while reducing wait times and shortages under a *$633 million bilateral agreement with the federal government*
- Paused the *collection of provincial tax on gasoline* for at least six months.

MANITOBA

D-

OVERALL GRADE

Manitoba is closely behind Saskatchewan with the second ***highest child poverty rate*** among all the provinces—42 per cent of food bank visitors in the province are children, which is the highest rate in the country—so a comprehensive school meal program is crucial for families who are food insecure. However, the province's efforts to reduce child poverty beyond this initiative have been limited. It was aiming for ***23,000 new childcare spaces*** by 2026, but only 3,700 have been planned so far, and they are being largely funded by the federal government. Additionally, the Manitoba Child Benefit is not particularly generous, offering at most $420/year per child, and it excludes vulnerable families, such as those receiving Employment and Income Assistance.

While Manitoba's Rent Assist program was historically responsible for the province's being a national leader in housing affordability, Winnipeg saw a ***9.7 per cent increase in the cost of one-bedroom apartment rents*** from January 2023 to January 2024 signaling a growing challenge. Although Rent Assist is adjusted annually based on ***median rent changes in Winnipeg***, the eligibility requirements are very restricted. For example, single people who earn over $25,600/year are not eligible. This underscores the need for targeted action on housing and a more affordable housing supply to sustain affordability.

For the above reasons, Manitoba received an F for this section. The government has largely failed to pass legislation that substantially addresses the key drivers of poverty—in particular, housing. For now, Manitoba's Rent Assist program and past actions may provide a buffer while the new government finds its feet, but people cannot wait any longer. If the trend continues, residents' circumstances will likely worsen.

MANITOBA

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Manitoba's poverty rate is 11.5 per cent, which is slightly above the national average (9.9 per cent).

Manitoba is a province of contrasts, with high rates of both urban and rural poverty. As in the other Prairie provinces, a considerable portion of residents in Manitoba live in remote northern communities with inadequate infrastructure. This duality of high levels of both urban and rural poverty illustrates how important it is that all levels of government take concerted and comprehensive policy action.

The top issues for residents across the province include reducing the cost of food, strengthening health care, reducing the cost of utilities, reviewing upper tax brackets for wealth redistribution, and providing better supports for people with mental health or addiction challenges. The later-most of these priorities comes as Manitoba has one of the highest rates of any province of people who strongly agree that addiction is an issue in their community that needs to be addressed—36 per cent compared to 27 per cent nationally—behind only BC and Newfoundland.

Manitoba has historically grappled with entrenched poverty, especially among children (under 18). The provincial government's 2015–16 poverty reduction strategy highlighted the urgent need to address the province's child poverty rate of 19.3 per cent and aimed to reduce it by one-quarter by 2025. By 2022–23, the rate had been reduced to 10 per cent, which far exceeded the goal, despite the social and economic challenges the province faced through the COVID-19 pandemic and subsequent high inflation. Much of the progress, however, resulted from federal support measures.

1 IN 5
First Nations people in Manitoba live in poverty – nearly twice the provincial rate

27%
of Manitobans are now living with food insecurity

42%
of food bank clients are children despite making up just a quarter of the population

1 IN 5
food bank visitors in the province are single-parent families

Today, children (under 18) and youth (18–24) in Manitoba still experience heightened poverty rates (10 per cent and 15.9 per cent, respectively). In both cases, the rates are slightly higher than the national averages. Higher poverty rates make children more vulnerable to food insecurity, and despite making up only 23 per cent of the population in Manitoba, children represent 42 per cent of provincial food bank visits—the highest in the country.

MANITOBA

D-

OVERALL GRADE

One group for whom Manitoba's poverty rate is noticeably below the national average is seniors (age 65+). Just less than 4 per cent (3.9 per cent) of Manitoba's seniors live in poverty. This is about 20 per cent lower than the national average of 4.7 per cent. The poverty rate among seniors who live alone is 8.8 per cent, compared to the national average of 10 per cent.

In Manitoba, the poverty rate among people who lived alone was 21.6 per cent. Among men who lived alone in Manitoba, the poverty rate was slightly higher (24 per cent). Single adults who are caring for a child or children had a poverty rate of 17.2 per cent, which is higher than the Canadian rate for this group (14.1 per cent) and almost four times the poverty rate for couples with children in Manitoba (4.5 per cent). This disparity is reflected in the fact that nearly 1 in 5 food bank visitors in the province are single-parent families.

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in Manitoba increased by 1.7 per cent, which is half the pace experienced in Canada as a whole (3.4 per cent). The province experienced a similar increase in the price of food to the rest of Canada, at 5.2 per cent. Food insecurity in Manitoba is increasing beyond the national average, with about 27 per cent of residents now living with food insecurity compared to 23 per cent nationally.

Meanwhile, the overall costs of shelter in Manitoba increased by 4 per cent, which is significantly lower than the 6 per cent increase in Canada as whole. Rent increased by 6 per cent and the costs of owning a home by 5.4 per cent. Both increases are slightly lower than the increases in Canada as a whole during the same period.

For the majority of people who are renting in the private market, core housing conditions in Manitoba worsened by almost 11 per cent. Manitoba is one of only two provinces where core housing need increased rather than fell during the 2018–2021 period. However, thanks to a growing social housing stock, renters who were able to secure rent-assisted housing saw their need fall by about 6 per cent, which is well below the national average of 14.3 per cent.

Manitoba is home to Canada's most effective rent assist program. It also has the lowest proportion of residents who strongly agree that it is difficult to keep up with rising rents—13 per cent, compared to 20 per cent nationally. While the number of people who agree that programs to help keep up with the rising cost of rent are important, the number who strongly believe this is 11 percentage points below the national average. This indicates that while people recognize the importance of assistance with shelter costs, there is a lower sense of urgency regarding the issue than the rest of Canada.

POVERTY AND INEQUALITY IN MANITOBA

As in many other provinces, Indigenous and racialized groups are disproportionately impacted by poverty and low income. In Winnipeg, for example, the 2020 poverty rate among Indigenous people was almost twice that of non-Indigenous people (16 per cent compared to 8.4 per cent, respectively).

MANITOBA

D-

OVERALL GRADE

The poverty rate among the whole Indigenous population in Manitoba was 14 per cent, which is higher than the rate for this group in Canada as a whole (12 per cent). The poverty rate of 20 per cent per cent for First Nations people in Manitoba was significantly higher than that for their counterparts in Canada (14 per cent); for Métis in Manitoba, the poverty rate was 10 per cent, which is also above the national average.

Racialized Manitobans also experience high rates of poverty. According to the last census, in 2021, the poverty rate among immigrants overall in Manitoba was 7.6 per cent, and for recent immigrants it was 15.4 per cent, which is similar to the rate among recent immigrants in Canada as a whole.

Non-permanent residents (people who have a work or study permit or have claimed refugee status) in Manitoba experience poverty rates of 47.2 per cent, which is significantly higher than the national average (41.8 per cent).

LABOUR AND EDUCATION

In 2022, 11 per cent of youth in Manitoba were not in employment, education, or training (NEET). This rate is the second highest in the country specifically among non-school age adults (age 20+). Among Manitoba adults aged 25–64, 13.9 per cent did not have a high school diploma or equivalent, which is slightly higher than the national average of 11.6 per cent. However, among Manitoba men only, the rate is 16.3 per cent.

MANITOBA

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Manitoba has a long history of social policy development that makes a real impact on resident's lives. For example, successive governments have introduced innovative approaches to childcare and rent assistance along with a provincial poverty reduction strategy that subsequent governments have carried forward. A new provincial government under the leadership of **Wab Kinew** was elected in October 2023, making Manitoba the first province to elect an Indigenous Premier. Poverty and social policy issues did not figure prominently in any party's election campaign last fall, but the newly elected government made a number of important commitments relating to affordability during its campaign, including:

- Introducing stricter *rent control provisions* and restore the existing renter tax credit to up to $700, reversing the *$175 per yet cuts made by the PC*.
- Removing the *provincial sales tax on purpose-built affordable housing* construction, in line with federal policy changes announced last fall.
- Working with the federal government to help build hundreds of affordable housing units.
- Expanding broadband access to rural and northern communities, where reliable Internet and communications services are more than *10 percentage points below the national average.*
- Fully indexing provincial tax brackets so that they keep up with inflation. This builds on significant tax relief put in place by the outgoing government in Budget 2023, which raised the basic personal tax exemption to $15,000, in line with federal measures.
- Introducing a provincial school nutrition program so that all children have access to free breakfast and lunch. (This was since *introduced in January 2024*.)
- Improving access to primary care and continuing to implement the provincial early-learning and childcare agreement.

It is important that we hold them to those commitments.

Budget 2024 announced *$110 million in immediate investments for various housing-related measures*. While only a quarter of this funding appears to support the construction of new units, and there has been *some slowdown in funding to some non-profit partners*, the increased focus and tempo of action is a step in the right direction. It remains critical for the province to lay out a longer-term plan, with more meaningful commitments and targets, particularly to address chronic homelessness and build new units, since this was not directly addressed in the government's election platform.

The provincial poverty reduction strategy was *last updated in 2023* as part of the outgoing government's final budget. The update included changes to the design of disability support and the provincial rent supplement program for Manitobans with low incomes. While these modifications helped to introduce the partial indexation of crucial benefits, most of the province's income security system is still not protected against inflation. Despite the new government's categorizing *poverty reduction* as a major priority, overall benefits remain the *third-least generous in the country*, and there is no indication that it intends to make significant changes to the level of support. In its latest Budget the new provincial government has *committed to renewing the poverty reduction strategy in 2025*, with consultations and development work beginning later this year.

MANITOBA

D-

OVERALL GRADE

The new government has made no commitment, either before or since taking office, to increase the minimum wage beyond annual cost of living increases. It currently ***trails neighbouring Ontario by $0.75 per hour***.

Also absent from the recent budget is any indication as to the government's intention in how to close the gap in access to affordable and high-speed internet across the province. Hopefully this will be an important medium-term priority, given that Manitoba ***trails neighbouring Ontario by nearly 10 percentage points***.

Like many provinces, Manitoba made a series of one-time affordability payments to households with low and mid-range incomes. A final round of payments, ***providing up to $375 per household***, was issued last summer. No similar payments are expected this year, even though inflation remains high. The new government has ***emphasized that it remains concerned about the fiscal situation it inherited*** and will address it in the short to medium term with new investments.

MANITOBA

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY

1. Present a poverty reduction strategy for all Manitobans, with a particular focus on single people and Indigenous peoples.

NO PROGRESS

The newly elected NDP government has committed to bring forward a new poverty reduction strategy in 2025. The strategy must include measures to reduce poverty for groups who remain disproportionately affected by poverty, including single people and Indigenous peoples. It should also include a plan to address the calls to action issued by : *The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*. The legislature should require the government to update the strategy every three years to keep it relevant.

2. Convene an expert panel to develop a youth employment and training strategy, with the goal of reducing the proportion of young people not in employment, education, or training (NEET) by 25 per cent by 2027.

NO PROGRESS

Manitoba has a relatively high level of youth who are not working, studying, (NEET rate). Without good job or educational prospects, there is a high risk that these young people will become trapped in a lifelong cycle of poverty. The provincial government must focus on ending this cycle before it begins. The strategy should be presented before the end of 2025 and include goals that form part of an updated provincial poverty reduction strategy.

AFFORDABLE HOUSING AND INFRASTRUCTURE

3. Strengthen rental assistance.

NO PROGRESS

While Manitoba's rental assistance program is a promising model, the province has failed to keep up with the needs of Manitobans during the recent affordability crisis because of a lack of investments since the program's inception in 2015. Unfortunately, the provincial government's 2024 budget *fell well short of expectations and need* in expanding rent supplements. The average cost of rent in Manitoba has increased by 37 per cent since the program was introduced, but eligibility for rent assist has risen by only 4 per cent. To address this, shelter supports should be enhanced, with all eligibility thresholds increased by 20 per cent of their current levels and indexed to inflation so that more Manitobans, particularly those who are working but struggling to make ends meet, qualify. An increase in the value of the benefit to a floor of 80 per cent of median rent should also be considered.

MANITOBA

D-

OVERALL GRADE

4. Establish a $100 million annual Manitoba Builds program modelled on the BC Builds program.

NEW POLICY

This program would include a mix of low-cost loans to help stimulate the construction of affordable market-rent units and provide capital to non-profit housing providers for the acquisition of land and subsequent construction costs. If well designed, this program would help stimulate significant new construction without putting new pressure on the province's books.

5. Develop a broadband strategy with the goal of achieving province-wide access to high-speed Internet by 2028.

NEW POLICY

While Manitoba has made some progress in connecting rural and remote communities, rollout has been hampered by *poor implementation and delays*. Given the significant gap in access to broadband within Manitoba compared to the national average, there is a critical need for the province to step up and intervene. In setting this goal, the province should examine *models recently deployed in Quebec, which has achieved 100% penetration*.

DECENT WORK

6. Raise the minimum wage to match Ontario's.

NEW POLICY

Manitobans with low incomes deserve a more livable wage, especially when businesses just across the border in Ontario already operate quite successfully with a minimum wage that is $0.75/hour higher than in Manitoba. The extra $0.75/hour translates into an extra $1,500/year.

INCOME SECURITY

7. Expand the earnings exemption capacity and make the Rewarding Work Allowance more rewarding.

NO PROGRESS

The Employment and Income Assistance (EIA) General Assistance benefit allows for an exemption on the first $200 a recipient earns plus 30 per cent of anything past this amount. This an effective 70 per cent clawback on benefits for every dollar earned and a clear disincentive for recipients to pursue decent work. The earnings disregard should be increased to 55 per cent so that every recipient retains a majority of every dollar earned.

Further, to help individuals and households with low incomes gain financial independence, the province should also consider increasing the monthly benefit from the Rewarding Work Allowance by 50 per cent, from $100 to $150 for each employed adult who works full-time and from $50 to $75 for each part-time worker.

MANITOBA

D-

OVERALL GRADE

CHILDCARE

8. Accelerate investments to create new affordable childcare spaces.

NO PROGRESS

In July 2023, Manitoba and the federal government announced investments of $180 million over three years to create 3,080 new childcare spaces. This investment was enhanced by Manitoba's commitment of an additional $3.4 million to create another 615 spaces by 2026. While this is a welcome development, it accounts for only 11 per cent of the 23,000 new spaces the province has committed to achieving by 2025–2026 as part of the Canada-Manitoba ELCC (early learning and childcare) agreement. More recently, in the 2024 provincial budget the province announced an extra ***$21 million*** to support the roll-out of additional childcare spaces and higher wages for early childhood educators, although it is unclear of how this will be spent.

Given the significant potential economic benefits, and the high levels of child poverty in some parts of the province, it is imperative that this plan be implemented quickly and with sufficient resources to achieve the intended goals. Broad and affordable access to early learning and childcare is imperative for families to have meaningful and equitable access to decent work.

Food Banks Canada
Banques alimentaires Canada

D-

ONTARIO

2021

ONTARIO

D-

OVERALL GRADE

D- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	47.1%	D-	D+
People Paying More than 30% of Income on Housing	45.7%	F	F
People Having Trouble Accessing Healthcare	16.4%	D+	F
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	52.9%	F	D
Percent of Income Spent on Fixed Costs beyond Housing	59.4%	D-	C+

F SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	10.9%	F	D
Provincial Welfare as a Percentage of the Poverty Line (Singles)	34%	F	F
Provincial Disability Welfare as a Percentage of the Poverty Line	54%	D-	D-
Unemployment Rate	6.7%	F	D+
Food Insecurity Rate	24.5%	F	C-

D+ SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	24.3%	D+
Inadequate Standard of Living	34.0%	D

D SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	D	F

ONTARIO

D-

OVERALL GRADE

CONTEXT

Poverty reduction efforts have not appeared to be a priority for the Ontario government. With lacking action on affordable housing or expanding social services and programs, people in the province continue to see worsening conditions in 2024. This is concerning as the province is home to a significant portion of low-income Canadians.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Ontario received an overall grade of D- in this section, which is a decline from its D grade last year. A key contributor to this outcome was its failing grades for housing, access to health care, and adequacy of government supports. With the exception of access to health care, grades fell for all indicators in Ontario, which suggests that conditions are declining overall.

Like the rest of the country, with the exception of PEI, Ontario received a failing grade for housing. The similarity of grades across the country for this indicator suggests that Canada is experiencing a systemic housing affordability crisis. Ontario has the second-highest housing costs in the country after BC, and this is the second year in a row that is has received a failing grade for housing, However, if we look more closely, we see that there has been a decline in this indicator, rather than stagnation. For example, 45.7 per cent of respondents said they spend more than 30 per cent of their income on housing, an increase of 7.9 per cent points from the year prior. Furthermore, people in Ontario also reported spending more on fixed costs this year. They now spend an average of 59.4 per cent of their income on fixed costs outside of housing. This suggests that, after paying for the essentials, many in the province have very little, or even no, income left over each month.

Nearly half (47.1 per cent) of Ontario respondents report feeling worse off compared to last year, higher than in the similarly large provinces of BC (45 per cent) and Quebec (37.1 per cent). Both Ontario and BC failed on adequacy of government supports, with Ontario slipping from a D to an F. However, Ontario did make strong improvements in accessibility of health care. While more Ontarians still report struggling to access health care than people in Quebec, the percentage of those struggling fell from 30.1 per cent last year—when it was by far the worst in the country—to 16.4 per cent this year, third-best in the country after Quebec (13.5 per cent) and Nova Scotia (12.4 per cent).

Like much of the country, Ontario is struggling in this section. It is deeply alarming that housing conditions have worsened, especially in combination with the increase in the percentage of income spent on fixed costs. The province's grades have fallen for most indicators, which suggests that residents are experiencing declining living conditions.

ONTARIO

D-

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

Ontario received an F grade for this section, which is a moderate decline from the D grade the province received in 2023. Nearly half the provinces, including Canada, received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

In Ontario, more than 1 in 10 residents (10.9%) live below the official poverty line, as determined by the Market Basket Measure. This is an increase of more than 3 per centage points compared to 2023. Every province except Quebec received a failing grade for poverty.

The province also received a failing grade in food insecurity. Nearly a quarter of residents (24.5%) experience some level of food insecurity, up from just under 1 in 5 in 2023. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including Ontario, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Ontario has a similar standard of living to the national average, according to the Material Deprivation Index. It received a D+ for this section, the same as the overall Canada grade.

Compared to similar large provinces, Ontario performed slightly better than BC and slightly worse than Quebec, who received D and C grades, respectively.

Nearly one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, just over one-third report missing two items, suggesting they experience an inadequate standard of living.

ONTARIO

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Ontario not only has the largest population of any province in Canada, but it also has the largest share of poverty in the country. It needs to respond to the weight of the affordability crisis with urgency and leadership; however, it has not risen to the challenge.

Key Actions:

- Awarded $240 million in extra funding to many municipalities and removed the *provincial portion of HST* on eligible new rental housing.
- Introduced several new measures to help working people, including a *minimum wage increase*, a new *childcare strategy*, funding to help *young people entering the trades*, and changes to strengthen *workers rights*.
- Increased the *Ontario Electricity Rebate* from 11.7 per cent to 19.3 per cent.
- Made several important health care announcements, including improvements to *long-term care*, *connecting people to primary care teams*, and signing a $3.1 billion *bilateral agreement* with the federal government that focuses on improving primary care, reducing wait times, and hiring more health care workers.

While the province has not announced any major new housing investments this year, removing the *provincial portion of HST* on eligible new rental housing should boost future development. Still, Ontario's response to the housing crisis has been comparatively weaker than British Columbia's, despite the fact that nearly half *(44%) of all households in the province live in core housing need*. Restoring affordability demands immediate and focused government intervention. The federal government has criticized Ontario for *its lack of action and inadequate housing plan*, both of which could lead to the province's losing $357 million in federal funding.

The federal government's partnerships with municipalities through the Housing Accelerator Fund have been the main driver of development in the province (see Federal section for details). Ontario pledged to *build 1.5 million homes in a decade*, but it has done little to fulfill this pledge. Since 2019, the *average rent for a one-bedroom unit has increased by nearly 24 per cent* while social assistance rates have *decreased in real dollars*.

As seen above, Ontario has made efforts to improve conditions for workers, but other supports—including LIFT and Ontario Works—have not been improved. Ontario Works has *been stagnant since 2018*, and incomes from the program are substantially below the poverty rate for all family types. In March 2024, the *average rent for a one-bedroom in the province hit $2,199*, which is more than 2.5 times the monthly income of a single person who is receiving social assistance.

Until Ontario fully commits to a serious housing plan and improves social assistance rates, more residents will continue to slide into poverty.

For the above reasons, Ontario received a D for this section. Despite taking some strong action to support workers, the government has largely failed to pass legislation that addresses long-term poverty, particularly on housing affordability and social assistance rates. If the trend continues, residents' financial circumstances will likely worsen.

ONTARIO

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Ontario has a poverty rate of 10.9 per cent. While this is relatively on par with the national average (9.9), many people are still struggling at an unacceptable rate, especially given how prosperous Ontario is. For people living in the province, top solutions to their struggles include reducing food costs, strengthening health care, and reducing the cost of utilities.

Ontario faces similar age-related challenges to those faced by other provinces across the country. While poverty rates for seniors are similar to the national rate, seniors who live alone in Ontario have a 10.5 per cent poverty rate, which is more than double the overall rate of 4.8 per cent.

Children (under 18) in Ontario have a child poverty rate of 8.6 per cent, which is comparable to Canada's average of 8.5 per cent. Overall, children make up 19 per cent of the province's population but represent 31 per cent of food bank visitors. Youth aged 18–24 have a poverty rate of 13.7 per cent, which is also similar to the national rate.

In Ontario, the poverty rate for people who live alone is 24 per cent, which is higher than the national rate for this group in 2021 (21.5 per cent). Men who live alone in Ontario have an even higher poverty rate (26.9 per cent).

Single women with children have a poverty rate of 13.3 per cent, which is similar to the Canadian rate of 14.4 per cent but more than three times the poverty rate for couples with children in the province (4.3 per cent). Nearly one-fifth of all food bank visitors in the province come from single-parent families.

50%
of Ontario families cannot access childcare

36%
Ontarians say they have difficulty accessing stable job opportunities in their community

1 IN 3
of people in the province worry about feeding themselves or their family

41%
of the population are finding it hard to keep up with rising rents

POVERTY AND INEQUALITY IN ONTARIO

Despite its economic prosperity, Ontario is struggling with growing income inequality, housing affordability issues, and systemic barriers to socio-economic opportunities. Racialized communities, Indigenous peoples, and newcomers often face disproportionate levels of poverty and exclusion that amplify those struggles.

ONTARIO

D-

OVERALL GRADE

Indigenous people over 16 years of age are more than twice as likely to have low incomes as other groups. The poverty rate among the Indigenous population in Ontario was 10 per cent (11 per cent among First Nations people and 8 per cent among Métis) in 2021. Ontario has the ***largest gap of all the provinces in attainment of a university education*** between people who have official Indigenous status under the Indian Act and their non-Indigenous peers. In Ontario, ***non-indigenous people have higher incomes than all groups of Indigenous people***. Non-Indigenous Canadians have a median income of $50,400, higher than individuals with Indian Status living on reserve ($32,400), with Indian Status living off reserve ($44,000) and Non-Status Indigenous peoples ($42,400).

Similarly, racialized people are nearly twice as likely to have low incomes as non-racialized people. In addition, according to the last census in 2021, the poverty rate among all immigrants in Ontario was 9.2 per cent; among recent immigrants, it was 17 per cent.

Meanwhile, non-permanent residents (people who have a work or study permit or have claimed refugee status) experience a poverty rate of 43.8 per cent, which is slightly higher than the rate for this group in Canada as a whole (41 per cent). In the spring of 2024, the federal government announced plans to ***significantly reduce the number of temporary residents in Canada***, and the ***number of foreign students issued with visas to study in Ontario is slated to be halved***.

In Ontario, 34 per cent of the provincial population (over 4.8 million people) self-identified as part of the racialized population. The poverty rate for this group was the same as it was across Canada (12.1 per cent) in 2021. In addition, over two-thirds (69 per cent) of racialized individuals were first-generation immigrants (born outside of Canada). This group experienced a poverty rate of 14 per cent.

LABOUR AND EDUCATION

Despite Ontario's strong economy, over one-third of the population (36 per cent) has difficulties accessing stable employment opportunities in their community, which is 6 percentage points higher than the national figure.

As of March 2024, the unemployment rate in Ontario was 6.7 per cent, slightly higher than the national rate of 6.1 per cent. While overall participation in the labour market has increased over the last decade in Ontario, access to affordable childcare remains a major hurdle for many people who would like to work. Despite significant investment by the federal government, fewer than half of Ontario families are able to access childcare.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 11 per cent of youth in Ontario were in this situation.

Furthermore, one-third of Ontario's working-age population say that their mental health is affecting their ability to find work, work effectively, or maintain their finances. This is the highest reported rate in the country, alongside Saskatchewan's.

ONTARIO

OVERALL GRADE

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in Ontario increased by 3.4 per cent; food increased by 4.1 per cent. While these rates are on par with or below the national average, many people in the province are still struggling to cope with these increased costs. Just over one-third of people in the province (34 per cent) worry about feeding themselves or their family. This figure is 5 percentage points higher than the national average.

In addition, the cost of shelter increased by 5.4 per cent in Ontario, which is slightly less than the increase in Canada as a whole (6 per cent). Rent in Ontario increased at a pace of 6.9 per cent, which is also lower than the increase across Canada (7.7 per cent). The costs of owning a home, meanwhile, increased by 6.2 per cent, which is slightly below the Canadian rate of 6.7 per cent. Between these increases and the increases in the costs of food, many people in the province are struggling with the cost of shelter this year. As such, 41 per cent of the population are finding it hard to keep up with rising rents (the highest of all provinces) and 28 per cent agree that it is difficult to find adequate, affordable housing (the second highest of all provinces).

The private rental market remains a major challenge for Ontarians, with nearly 1 in 4 residents who live in rental units being considered in core housing need. Among those in subsidized housing, the rate of core housing need is almost 30 per cent, and it declined by only 3.6 per cent between 2018 and 2021, compared to the national rate of decline of 14.3 per cent.

Conversely, as with the overall national picture, significant progress has been made in accelerating the construction of new social housing. Thanks to significant investments by the National Housing Strategy, Ontario has added more than 36,000 new units since 2016, putting it just ahead of the national average. However, the government must continue to improve social supports and policies that help residents. At time of writing, 34 per cent of people said that social assistance rates are not high enough to help them keep up with the rising costs of living. Only BC, where the cost of living (largely due to housing) is also a large issue, has a higher response rate for that indicator.

ONTARIO

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

While the Ontario government made early and modest progress toward supporting struggling households with the introduction of its Low-Income Workers Tax Credit (LIFT) in 2018, it has not treated poverty reduction itself as a major priority. This was made quite clear in the recent 2024 provincial budget, which makes no mention of the words "poverty" or "poor." Although the provincial budget announced a go-forward indexation of the provincial Guaranteed Annual Income System (GAINS) for seniors, this change will amount to only *$48 in extra help for the poorest seniors next year.*[1]

In the last six years, the provincial government has taken no steps to update its provincial poverty reduction strategy. In 2018, it *cancelled the basic income pilot*, and it only agreed to *index welfare and disability benefits going forward* when an affordability crisis arose. However, the 5 per cent bump in support—lower than 2022's rate of inflation—*did nothing to address years of erosion* of the living standards of Ontario's poorest citizens.

In the four years between 2018 and 2022, just before the provincial government announced that supports would be indexed, the poorest Ontarians who rely on provincial social assistance endured an approximately 10–11 per cent reduction in their standard of living due to the provincial government's refusal to improve the adequacy of supports (see Table 1).

TABLE 1. WELFARE INCOMES IN ONTARIO, 2018–2022, CONSTANT DOLLARS (2022)[2]

	UNATTACHED SINGLE PERSON RECEIVING ONTARIO WORKS	UNATTACHED SINGLE PERSON RECEIVING ONTARIO DISABILITY SUPPORT PROGRAM	SINGLE PARENT WITH ONE CHILD RECEIVING ONTARIO WORKS	COUPLE WITH TWO CHILDREN RECEIVING ONTARIO WORKS
2018	$11,520	$17,860	$25,633	$37,021
2022	$10,253	$15,871	$23,102	$33,368
Change in $	−$1,268	−$1,989	−$2,531	−$3,652
Change in %	−11.0%	−11.1%	−9.9%	−9.9%

The Ontario government's housing record is at best a mixed one. While the province appointed a housing affordability task force several years ago, but have yet to fulfill the *vast majority of the task force's sweeping and broadly endorsed policy recommendations*. The government has implemented a *number of reforms* including:

- Encouraging more municipal infrastructure development to help enable the development and preparation of housing sites. The recent Ontario budget *allocated up to $1.8 billion to help municipalities finance this infrastructure*.
- Lowering *the cost of building affordable housing*, in part by reducing the development charges associated with these projects by 25 per cent.

ONTARIO

D-

OVERALL GRADE

- *Implementing governance reforms* so cities can more easily and quickly implement changes to housing supply policies.
- *Creating the Ontario Infrastructure Bank* to help encourage more investment in transit, roads, and housing.
- Introducing a *provincial version of the federal Housing Accelerator Fund* to help reward cities with plans to increase housing supply. This partially addresses one of our recommendations from last year, but we recommended a more specific focus on affordable housing.
- Making changes to the *permitting process for secondary suites*.
- Removing the provincial portion of HST on qualifying new purpose-built rental housing, which *mirrors federal action*.

It has neither extended the same treatment to multi-tenant buildings nor pushed forward with intensification targets, even gentle ones, such as *fourplexes by right*. As a result of this mixed set of actions, Ontario is *still nowhere near* its goal of building more than 1.5 million more homes by 2031 to restore affordability to the overall housing market. And, despite being in the midst of a housing crisis, the provincial government announced no new money and no new targets for the construction of affordable, rent-assisted housing in its recent budget. The budget itself forecasts that the province will be nearly *40,000 units short of the number that must built this year* just to catch up to the 1.5 million target by 2031.

The provincial government's lack of focus on deeply affordable housing is clearly illustrated by the fact that it has put forward a set of actions that would achieve only 6 per cent of the 2024–25 target it had previously agreed to with the federal government as a condition of federal housing funding. As a result, *the federal government has threatened to pull back this funding* and potentially redeploy it to other, higher-impact initiatives to build affordable housing. Ontario also *has no comprehensive rent control* and *the Premier has rejected efforts to co-operate with the federal government on a renters' bill of rights*.

Despite the lack of action on welfare reform, *Ontario continues to have one of the highest minimum wages in the country*, thanks to reforms brought in under the previous provincial government and which have stayed in place under Premier Ford. However, it still trails behind the federal minimum wage and remains well below levels considered livable. In addition, *the pace of real wage gains has been slow* in both Ontario and Canada as a whole for years. This highlights the stark reality that during the current affordability crisis, having a job is no guarantee of economic security.

As in all provinces, food banks in Ontario are seeing significant increases in demand for their services. Between April 1, 2022, and March 31, 2023, *Ontario food banks reported a growth in usage of 38 per cent*, with over 800,000 unique visits. This is the equivalent of 1 in 19 Ontarians accessing emergency food services.

This all underscores how crucial it is that the province take concerted action to improve the standard of living of the most vulnerable residents in the province, an increasing number of whom have a job.

[1]As of July 2024 the maximum GAINS benefit will increase from *$83 per month to $87*. In 2025, it will be indexed to inflation. It is anticipated that an additional 100,000 seniors will become eligible for the program as a result of changes in the full clawback provisions on outside income, although this was not spelled out in detail in the budget document and it is unclear whether those who are eligible will receive any meaningful support.

[2]Adapted from data compiled by Maytree in its *2023 Welfare in Canada report*.

ONTARIO

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY

1. Establish a clear poverty reduction target of 50 per cent by 2030 compared to 2015 levels.

NO PROGRESS

Ontario lacks a clear objective for measuring overall success in reducing the number of residents who are living in poverty. While the province's current strategy includes metrics to increase employment and reduce social assistance caseloads, these do not guarantee any level of success with respect to overall poverty reduction.

DECENT WORK

2. Double the Low-Income Individuals and Families Tax Credit (LIFT) for Ontarians who are earning less than $50,000 and aim to harmonize the Canada Workers Benefit with it.

NO PROGRESS

Since its introduction in 2018, LIFT and the recently enhanced CWB have provided substantial additional support to eligible workers who are transitioning into low-wage or part-time employment. To bolster these incentives, the province should use recent fiscal windfalls from the strong post-COVID-19 labour market recovery to double LIFT to $1,700, with a focus on helping workers who are earning less than $50,000 in particular.

To simplify and improve access to supports, the Ontario government should also work with the federal government to harmonize program design. The CWB, for example, focuses primarily on employment source income (as does LIFT) rather than adjusted net income so that the two benefits are fully stackable. Harmonizing the program design would ensure that someone who is employed for 20 hours a week or less and is earning minimum wage would be able to benefit fully, with nearly $3,300 annually in combined and unreduced support.

3. Make it easier for people who are part of the Ontario Disability Support Program (ODSP) to work and earn.

NO PROGRESS

While the province recently made welcome changes to increase the amount that a recipient of ODSP can keep if they find work—from $200 to $1,000 per month—any earnings above this level are still clawed back at a rate of 75 per cent. At a minimum, the province should reduce this clawback provision to 50 per cent, which would align with the current earnings exemption rule in the Ontario Works program. This would improve the ability of and incentive for people who receive ODSP to seek and find work if they are able to do so.

4. Modernize the Ontario Works program and ODSP.

NO PROGRESS

In anticipation of the significant impact that the forthcoming Canada Disability Benefit will have on Canada's social safety net, the government of Ontario should undertake a similar review of provincial benefits to enhance both their adequacy and the simplicity of the application process so that they provide livable support that encourages people to look for and stay in work.

ONTARIO

D-

OVERALL GRADE

AFFORDABLE HOUSING

5. Enhance the provincial housing accelerator fund with new tax and grant incentives to supercharge the construction of affordable, purpose-built rental housing.

IN PROGRESS

While Ontario has established a provincial housing accelerator fund, this action only partially addresses our related recommendation from last year. Ontario needs to focus the Building Faster Fund on deeper housing affordability that addresses the needs of people who are classed as lower-income and working- poor. Private market developers are struggling to keep up with rising demand, as increased interest rates have affected financing options. Changing the focus of the Building Faster Fund would build on the savings gained from the removal of provincial GST on new purpose-built rental construction. For example, it could include establishing a time-limited, enhanced capital cost allowance class for purpose-built rental units so that developers can recoup their capital investment faster. In exchange, Ontario would set strong conditions to increase the mix of affordable and below-market units and deepen affordability. This could be paired with further grant investments to assist with land acquisition.

6. Establish an Ontario housing protection and acquisition fund.

NO PROGRESS

If Ontarians are to have affordable housing, the province's non-profit and co-operative housing providers must be able to acquire land and property—often the most important cost in development—cheaply and quickly. The province's More Homes Built Faster strategy facilitated initial steps in this direction by exempting affordable housing projects from development charges. This urgently needs to be supplemented by the province with funding and land so that projects can proceed. We recommend that an acquisition and development stream of at least $800 million be dedicated to affordable housing providers. British Columbia's Community Housing Fund Program, a $3.3 billion investment to create 20,000 affordable homes, could be used as a template for a similar program in Ontario.

7. Direct Ontario cities to spend their available cash on affordable housing.

NEW POLICY

Ontario cities are sitting on significant reserves and cash that could be used to build affordable housing. In 2022, Ontario municipalities had $2 billion more in cash on hand than they did before the pandemic, with development charge reserves big enough for Toronto and Ottawa to spend down for years without needing to collect any new revenue. Even with the recent reduction in development charges for affordable housing, there is still significant room for additional investment. The province should direct municipalities to present a plan to deploy excess reserves over a period of five years by either further reducing development charges on affordable housing or directly co-investing the reserves into affordable housing projects or related health and human services that help ensure the most vulnerable residents are successfully housed.

Food Banks Canada

Banques alimentaires Canada

2024

QUEBEC

QUEBEC

C+

OVERALL GRADE

D+ SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	37.7%	B-	B+
People Paying More than 30% of Income on Housing	40.5%	F	D+
People Having Trouble Accessing Healthcare	13.5%	C	C-
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	44.4%	D	C
Percent of Income Spent on Fixed Costs beyond Housing	54.6%	C+	D+

B- SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	6.6%	C+	A-
Provincial Welfare as a Percentage of the Poverty Line (Singles)	89%	A	A
Provincial Disability Welfare as a Percentage of the Poverty Line	69%	C	C
Unemployment Rate	5.0%	D+	C
Food Insecurity Rate	15.7%	B	A-

C SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	20.8%	C+
Inadequate Standard of Living	30.2%	C-

B SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	B	B

QUEBEC

C+

OVERALL GRADE

CONTEXT

While Quebec still leads the country in poverty reduction efforts, the gap between them and other provinces is shrinking. Quebec needs to find renewed focus on poverty reduction in 2024 and continue to demonstrate leadership in the sector.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Quebec received an overall grade of D+ in this section, a decline from its C grade in 2023. This led to the province ceding its first place ranking in this section to Prince Edward Island. However, it tied with Manitoba for the second-best grade among the provinces.

Quebec received a B- in the Worse Off Compared to Last Year indicator, the highest grade of all the provinces, but this was a decline from its B+ grade in 2023. More than one-third of residents responded that they were worse off than in the year prior. This is better than in the rest of Canada, but the number is still too high.

Quebec experienced sharp declines in two indicators: People Spending More than 30 per cent of Income on Housing and Government Support Recipients Who Say Rates Are Insufficient to Keep Up with Cost of Living. Grades in these indicators fell from a D+ and C– to an F and a D, respectively. Just over 4 in 10 residents of Quebec responded that their housing costs consume 30 per cent or more of their monthly income. However, this puts them just in the middle of the pack compared to other provinces, which is a clear indication of the systemic unaffordability of housing across the country.

One bright spot for Quebec is its improved grade for Percent of Income Spent on Fixed Costs Beyond Housing, which changed from a D+ to a C+. However, the rate only fell from 57.2 per cent to 54.6 per cent, which means that more than half of some people's income is still going toward fixed expenses. This is especially concerning considering the percentage of people spending more than 30 per cent of their income on housing. After they have paid for the essentials, many in the province have very little, or no, income left over each month.

When compared to the similarly large provinces of Ontario and British Columbia, Quebec scores the highest on all indicators, except on fixed costs as a percentage of income, where it scored a C+ compared to British Columbia' B grade. However, although Quebec performs fairly well in comparison to all other provinces, conditions in the province have declined over the past year and residents are likely experiencing a lower quality of life.

QUEBEC

C+

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

Quebec received an overall grade of B- in this section, which is a slight decline from the B+ it received in 2023. Quebec's performance in this section is the best in the country by a large margin. It is the only province to receive a grade higher than D-. Nearly half of the provinces, as well as Canada, received failing grades for this section.

This difference in performance can be explained by Quebec's significantly lower poverty and food insecurity rates. At 6.6 per cent, Quebec's poverty rate is 3.1 percentage points lower than Alberta, which has the second lowest rate, and roughly half the rate of Nova Scotia (13.1%) which has the highest poverty rate among the provinces.

Quebec experiences a food insecurity rate 10 percentage points lower than most provinces. Still, nearly one in six residents experience food insecurity and the rate has increased slightly in the past year. While this is comparably better than the rest of the country, the rates are still too high.

Of note is that Quebec is still the only province that provides less social assistance to single adults with a disability than single adults considered employable. This is one area in which the province can take steps to improve in the coming year.

While Quebec received a much higher grade than the rest of the country, it still dropped from a B+ to a B-. This indicates that while residents experience a higher standard of living than the rest of Canada, conditions are declining.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Compared to other provinces, Quebec has an above average standard of living according to the Material Deprivation Index. It received a C for this section, which is second highest in the country after PEI and the higher than the overall Canada grade of D+.

Quebec outperformed both BC and Ontario, similar large provinces, who received D and D+ grades, respectively.

Still, just over one-fifth of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, nearly one-third report missing two items, suggesting they experience an inadequate standard of living.

QUEBEC

C+

OVERALL GRADE

REPORT CARD SECTION 4: **LEGISLATIVE PROGRESS**

Quebec continues to lead the country in poverty reduction and has taken significant action across various sectors to address its social and economic challenges. Building on the momentum of funding from the federal government, the province has taken strong steps not only to increase housing construction and strengthen the rights of people who rent but also to increase the construction of affordable housing.

Key Actions:

- Announced ***billions of dollars in new funding*** to support the construction of ***affordable*** and ***social housing***, improved ***tenants' rights***, and strengthened access to student housing.
- ***Indexed social assistance*** benefits for the year and increased the ***Quebec Pension Plan*** along with ***new regulations*** for the plan.
- Increased the ***minimum wage***.
- Announced several new care plans, including two new bilateral health agreements with the federal government to ***improve overall health care***, and a new five-year ***Childhood Action Plan***.
- Addressed food insecurity concerns by investing ***$16.4 million in 25 Banques alimentaires du Québec (BAQ) infrastructure projects*** and granting ***$21 million in emergency aid*** to five organizations, including Banques alimentaires du Québec (BAQ).

Between raising the minimum wage and pension payments, indexing benefits by more than 5 per cent, investing in improving access to and the cost of childcare, and supporting municipalities, the province is leading the way in its commitment to improve affordability. However, social assistance is still not indexed to inflation, which would help prevent the future erosion of assistance rates.

One area in which the province has struggled is health care, although the new health plans could make a large difference. The province ties with the Atlantic provinces for ***worst access to primary care***, with nearly 1 in 3 residents reporting that they do not have a primary care provider. There is ***strong evidence*** that poor health contributes to lower incomes and can trap people in poverty.

In response to strong overall government action, Quebec residents will likely continue to experience the lowest poverty rates in the country.

For the above reasons, Quebec received a B for this section. The government has introduced legislation that should lead to positive outcomes for residents who have low incomes. However, it must take more action on health care to ensure residents' circumstances do not deteriorate.

QUEBEC

C+

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Based on our national poll, people in Quebec identified reduced food costs, stronger health care, and affordable housing as the most important issues in poverty today. While Quebec's poverty rate of 6.6 per cent was lower than that of Canada as a whole (9.9 per cent), many people in the province are still struggling to make ends meet. In 2023, the number of visits to food banks in Quebec was almost double that of 2019.

Despite this massive growth in the use of food banks, compared to 2015, the province either met or exceeded the pace of poverty reduction in the rest of Canada for virtually every demographic group, a feat that underscores the considerable leadership Quebec has shown in establishing strong and credible policy to reduce poverty. While this section of the report details areas for improvement, many other provinces can look to Quebec for inspiration about best-in-class policy design.

Poverty rates for children, youth, and seniors in Quebec remain similar to or less than national averages.

As in much of the country, people who live alone face a much higher rate of poverty than other groups, at roughly 17 per cent. While this is 4 percentage points lower than the national average, it remains unacceptably high. Similarly, poverty rates are 10 per cent in single-parent households. While this is lower than the national average, it is also nearly 8 percentage points higher than the rate for two-parent households.

95%
of those in Quebec think that reducing the cost of food is important for tackling poverty

X2
the number of visits to food banks in Quebec in 2023 was almost double that of 2019

34%
of Quebec households spend more than a third of their income on housing and utilities

4 IN 10
non-permanent residents in Quebec live in poverty, six times the provincial rate

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in Quebec increased by 4 per cent, compared to 3.4 per cent in Canada as a whole, according to the Consumer Price Index.

Quebec saw an increase of 5.7 per cent in the price of food, which is slightly higher than the national average increase of 5 per cent. It is important, however, to note that over 2024 food price inflation has moderated considerably in the province, having been the second-highest in the country in the previous year. Given the number of people in Quebec who think that reducing the cost of food is important (95 per cent), many people are likely still struggling with that historic increase, despite recent drops in price growth.

QUEBEC

OVERALL GRADE

However, Quebec's housing market is one of the most affordable in the country, and only 3.5 per cent of residents are considered to be in core housing need. Despite this, some pressures are building under the surface. The average cost of shelter increased by 6.8 per cent in Quebec; whereas nationally they increased 6 per cent. However, certain types of shelter costs experienced higher increases. For example, the costs of owning a home in Quebec increased by 8.2 per cent, the highest among the provinces.

Meanwhile, overall rent costs increased by 6.8 per cent in Quebec. This increase is below the national average but is still having an adverse effect on many residents. Over two-thirds of all food bank visits across the province are from people who rent their accommodation. Renters comprise a small portion of the population, so they are greatly over-represented in food banks.

Between 2016 and 2023, the total stock of rent-assisted social housing units grew by 8.1 per cent, about one-third slower than the national average of 12 per cent. This reflects a lack of systematic funding and policy strategy at the provincial level to stimulate additional affordable housing construction.

Overall, the proportion of people in Quebec saying that the creation of affordable housing is important to them is 4 per cent higher than the national average.

POVERTY AND INEQUALITY IN QUEBEC

Quebec contends with socio-economic disparities, linguistic divisions, and challenges related to immigrant integration. Indigenous communities, racialized people, and marginalized groups face barriers to accessing education, employment, and social services. Although the trend of below-average poverty rates holds true across racialized communities in Quebec, these communities still face much higher rates of poverty than non-racialized communities.

For example, the poverty rate is 8 per cent among Indigenous people, 14.5 per cent among recent immigrants, 39.2 per cent among non-permanent residents, and 12 per cent for all racialized people in Quebec. When comparing these numbers to the average poverty rate of 6.6 per cent across the province, it is clear to see that action must be taken to reduce the inequalities that exist between racialized and non-racialized communities.

In Quebec, the percentage of racialized households spending more than 30 per cent of their income on rent and utilities (34 per cent) is nearly the same as in non-racialized households (33 per cent). However, some groups—notably Chinese and West Asian residents—are significantly more likely to spend more than 30 per cent of their income on rent and utilities (49 per cent and 48 per cent, respectively). The rate of Indigenous households that spend more than 30 per cent of their income in this way is 3 per cent points less than for non-Indigenous households in this province.

QUEBEC

C+

OVERALL GRADE

LABOUR AND EDUCATION

Labour force participation rates in the province are relatively strong across the board. However, youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 10 per cent of youth in Quebec were in this situation compared with 11 per cent in Canada as a whole. Education is a key factor in protecting against poverty. Among Quebecois aged 25–64, 14.5 per cent did not have a high school diploma or equivalent, which is higher than the national rate of 11.6 per cent. However, the rate was higher among Quebec men, at 17.3 per cent.

In addition, roughly 1 in 5 food bank visits in the province were from people who work. This number has been growing steadily over the past several years and indicates that the cost of living in Quebec, and indeed across Canada, is far outpacing wage growth.

QUEBEC

C+

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Poverty and food insecurity in Quebec are the lowest in Canada, thanks in part to decades of sustained policy efforts by successive provincial governments. While this has positioned Quebec as a leader in poverty reduction, the province must not rest on its laurels.

Quebec was the first jurisdiction in Canada to establish a poverty reduction strategy. The strategy was introduced over 20 years ago and is updated every five years. The revised strategy for 2024–29 is expected to be released later this year.

Since the onset of the affordability crisis the provincial government has emphasized three key actions:

- ***$30 billion over seven years*** in the form of a variety of financial support and tax reduction measures.
- A significant increase in the minimum wage. since 2022.
- A ***$1.7 billion investment plan to build approximately 8,000 units*** of new affordable housing.

These measures will help to offset a portion of the burden that residents who are living on low incomes are experiencing. However, it falls short of the ambition past governments have had in combatting poverty. The vast majority of the government's financial support package is in the form of tax cuts that help middle- and upper-income households, ***even though people with low incomes have seen the most extensive drop in living standards during this time***. Only 1 per cent of the $30 billion allocation was earmarked for expanding shelter allowances, which would support the most vulnerable people in the province at a time when housing affordability has worsened considerably.

The government's approach to housing investments have been similarly disappointing. Shelter costs may well be much more affordable in Quebec than in other provinces, but there has also been inadequate investment to create a new supply of affordable housing. At a time when the housing supply gap in Quebec is increasing rather than decreasing, the province lacks a long-term, robust framework to stimulate the construction of new affordable housing units.

The announcement last fall of a plan to build 8,000 new units was largely prompted by a political need to match federal investments in this area from the ***Housing Accelerator Fund***. The 8,000 units that the province is proposing to help build equate to less than 1 per cent of what the Canada Mortgage and Housing Corporation (CMHC) estimates is required by 2030. The plan also does not provide any sustained investment beyond the initial period, which means that municipalities and non-profit providers cannot make long-term planning decisions. Had the province redirected even just 10 per cent of its financial support measures toward the construction of new affordable housing, it would have been able to support nearly 15,000 more units over the next few years.

In last year's report we urged the province to consider introducing targeted financial supports that could, over time, be transformed into a low-income food benefit. Quebec has not done this, preferring instead to provide one-time $500 affordability payments for families earning less than $100,000. However, even as these temporary supports come to an end, Quebec continues to have the ***most generous social assistance benefits*** in the country.

QUEBEC

C+

OVERALL GRADE

The affordability payments, like many other credits and deductions, were delivered through the tax system and required residents to have filed a return for 2021. Quebec has one of the lowest rates of non-filing in the country. ***About 6 per cent of residents do not file a tax return*** and so are potentially denied benefits they could be entitled to. Last year, the provincial government announced its intention to undertake a ***pilot project*** to encourage and help residents with low incomes to file their tax returns. This is consistent with the federal government's own objective but does appear to be running more slowly. Quebec has said it will take up to five years to assess whether an automatic filing system should be implemented more systematically to further increase filing rates for all households.

The 2024 provincial budget forecasts a deficit of more than $9 billion, which is approximately 1.5 per cent of GDP. In response, the province has committed to conducting a significant review of program spending in the coming years in hopes of ***balancing the books by 2029–30***. While few details about this spending review have been shared to date, there is a risk that it could lead to less investment in poverty reduction policies for the foreseeable future.

Despite Quebec having the ***lowest level of moderate or severe food insecurity among all the provinces*** and territories, the affordability crisis has ***significantly increased demand at food banks*** and for emergency food aid.

A distressing trend that food banks are seeing is a growth in visitors whose main income is from a job which no longer covers all of their expenses, forcing them to choose between paying for medication, housing, or food, for example. Food banks have also seen an increase in demand from seasonal and temporary workers who work in factories such as fish packaging plants or on farms, and from foreign students and new immigrants.

The provincial government has previously provided significant aid to food banks, including $23 million last year, and it ***recently announced that it would provide $26 million in 2024–25***. Although this increased assistance is welcome, it does not provide centres with the ability to plan for and respond to the needs of their local clientele—and perhaps more pertinently, it addresses the symptoms rather than the root causes of poverty.

QUEBEC

C+

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY

1. Establish a new poverty reduction strategy with the ambitious goal of ending poverty by 2030.

NO PROGRESS

Having reduced the poverty rate by nearly two-thirds—from 13.5 per cent in 2015 to 5.2 per cent in 2021—Quebec could bring it down to near zero. But that will require strong leadership.

An early and achievable priority area for the strategy could involve family benefits. Provincial income support and other transfers already comprise 92 per cent of the market basket poverty line for a couple with two children, and 81 per cent for single parents with one child.

AFFORDABLE HOUSING

2. Accelerate the construction of purpose-built affordable rental housing.

IN PROGRESS

Although the province recently announced new investments in affordable housing construction, it lacks sustained, long-term funding and at a scale that will make a real difference. We recommend that an additional $3 billion be set aside over the coming five years. That would equate to only 10 per cent of the government's existing commitment to tax reductions and financial support and would help build nearly 15,000 more units than the province is currently planning to help construct.

Any future tax cuts should ideally be focused on families with low incomes and result in a 10 per cent set-aside for investments in housing. This will be more effective over the long-term in fostering affordability that is fiscally responsible and economically beneficial.

COST OF LIVING AND DECENT WORK

3. Make the minimum wage a living wage.

NEW POLICY

The minimum wage in Quebec is still lower than the minimum wage in Ontario by at least $1 per hour. Recent increases have *not been enough to turn it into a living wage*. The Quebec government should adopt a policy to move quickly to match the minimum wage in Ontario and work overtime to establish a living wage policy. Matching Ontario would provide a meaningful income boost for workers on low incomes without jeopardizing competitiveness or jobs.

QUEBEC

C+

OVERALL GRADE

4. Expand upskilling and create pathways to the trades and good jobs.

NEW POLICY

The province should develop a strategy to significantly expand upskilling and retraining opportunities for adult residents who have previously completed higher levels of learning. To support our recommendation to expand investments in affordable housing construction, an initial focus of this program could be to help encourage more workers to enter the construction trades. This would help to create more well-paying jobs for workers who are at risk of poverty and to build a strong foundation of housing affordability that all residents can benefit from.

5. Establish parity for Disability Social Assistance Rates.

NO PROGRESS

Quebec is the only province in the country where residents with a disability receive less—almost $5,000 less—in assistance than individuals who are able to enter the workforce. This discrepancy adds to the challenges that residents with a disability already face. We recommend that the province bring the disability assistance rates to parity with rates for individuals without a disability.

Food Banks Canada

Banques alimentaires Canada

NEW BRUNSWICK

2024

NEW BRUNSWICK

D-

OVERALL GRADE

D- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	42.1%	C-	D-
People Paying More than 30% of Income on Housing	37.0%	F	F
People Having Trouble Accessing Healthcare	23.4%	F	D+
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	35.7%	C	D-
Percent of Income Spent on Fixed Costs beyond Housing	59.3%	D-	D-

F SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	10.9%	F	C
Provincial Welfare as a Percentage of the Poverty Line (Singles)	31%	F	F
Provincial Disability Welfare as a Percentage of the Poverty Line	43%	F	F
Unemployment Rate	7.8%	F	D
Food Insecurity Rate	25.6%	F	F

D+ SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	23.3%	C-
Inadequate Standard of Living	34.4%	D

D SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	D	D

NEW BRUNSWICK

D-

OVERALL GRADE

CONTEXT

Despite being among the more affected provinces, the New Brunswick government has hesitated to introduce poverty reduction strategies that will have a real and lasting impact on residents. As section one of the report card demonstrates, people in the province are struggling. With a 2024 election on the horizon, parties will need to demonstrate that poverty reduction is a top priority.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

New Brunswick received an overall grade of D in this section in 2024, which is a slight improvement over its D- grade last year. In 2023, it was one of lowest-scoring provinces in this section, but this year it sits in the middle. The province received two failing grades, one for housing costs and the other for access to health care.

While it still received an F for the indicator People Spending More than 30 per cent of Income on Housing, the actual numbers decreased slightly this year compared to last (37 per cent compared to 40.2 per cent), and the province is second only to Prince Edward Island in this indicator.

One surprising result was the C grade the province scored for adequacy of support. Roughly 36 per cent of people receiving government support indicated that rates were not enough to keep up with the cost of living, an improvement from last year's 42.2 per cent. This shift comes despite New Brunswick having the lowest rates of social assistance (see section 2) among all the provinces.

Encouragingly, among the provinces, New Brunswick came second only to Manitoba for the percentage of people who feel worse off compared to last year. This represents another improvement compared to 2023, when 46.3 per cent of people felt worse off compared to the previous year; in 2024, it was 42.1 per cent. The province's grade improved from a D- to a C- for this indicator.

Overall, New Brunswick ranks second-best among the Maritime provinces. Last year it was ranked lowest.

NEW BRUNSWICK

D-

OVERALL GRADE

REPORT CARD SECTION 2: **POVERTY MEASURES**

New Brunswick received an F grade for this section, which is a decline from the D- the province received in 2023. Nearly half the provinces, including Canada, received failing grades for this section. While the country performed very poorly in this section, New Brunswick is the only province that received an F grade for every indicator. Quebec, with a B-, is the only province that received a grade higher than a D-.

In New Brunswick, more than 1 in 10 residents (10.9%) live below the official poverty line, as determined by the Market Basket Measure. This is an increase of nearly 4.2 per centage points compared to 2023. New Brunswick experienced the second largest increase in poverty rate among the provinces, just Nova Scotia had a greater increase. Every province except Quebec received a failing grade for poverty.

The province also received a failing grade in food insecurity. More than a quarter of residents (25.6%) experience some level of food insecurity, up from 22.7 per cent 2023. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including New Brunswick, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: **MATERIAL DEPRIVATION**

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

New Brunswick has a similar standard of living to the national average, according to the Material Deprivation Index. It received a D+ for this section, the same as the overall Canada grade.

New Brunswick performed second best compared to other similar Atlantic provinces. It did quite a bit better than Nova Scotia and Newfoundland & Labrador, both of which received failing grades, but worse than PEI which scored the highest grade in the country at C+.

Still, nearly one-quarter of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, just over one-third report missing two items, suggesting they experience an inadequate standard of living.

NEW BRUNSWICK

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

The New Brunswick government has recently taken some steps to alleviate the pressures of poverty and food insecurity across the province. While its efforts are worth applauding, many funding gaps remain and it is doing little to address poverty rates in a meaningful way.

Key Actions:

- Introduced a new *Rent Bank* program to help people avoid eviction, a new *Preconstruction and Infrastructure Fund to Support Housing, and a new land-use planning tool to change zoning regulations and enable* local governments to make it mandatory for developers to include affordable housing options in new developments.
- Introduced changes for workers with low incomes, including an *increase in the minimum wage* and a *one-time payment Workers Benefit*.
- Introduced *new measures to help seniors* and a permanent increase to the Low-Income Seniors' Benefit to $600.
- Announced several substantial health care commitments, including a new *mobile health app*, health *infrastructure upgrades*, and a bilateral agreement with the federal government that focuses on overall health care improvements, including improvements to mental health and addictions services.
- Addressed food insecurity concerns through a commitment to expand *healthy school food programs* in partnership with Food Depot Alimentaire and funding of *$2 million for food banks and community kitchens*.

New Brunswick has taken some steps to temporarily support renters and encourage housing development through updated zoning regulations and increased infrastructure funding. However, the lack of major new housing projects and longer-term protections for people who rent mean that these measures may only maintain the status quo rather than drive meaningful improvements. Additionally, the province, which has the least generous social assistance in Canada, has put only a minimal focus on social assistance reform.

While the newly introduced housing fund aims to bolster access to affordable housing, it will be years before its impact on costs is felt, especially for people who rent. New Brunswick has still not implemented any meaningful rent control; in 2023 it began allowing tenants to request a multi-year phase-in of rent increases if landlords raise the rent beyond the rate of inflation. Originally, this option was universally available to tenants facing such increases, but as of 2024, it has been altered to a case-by-case basis. This change has been *criticized by tenancy advocacy groups*. The new Rent Bank program is an innovative way to support people who rent and are at high risk of unaffordable rent increases, and we look forward to evaluating the impact of this initiative. However, responsive solutions like these do not fix the underlying affordability crisis—that can only be solved by increasing the supply of affordable housing, which *declined by 25 per cent between 2016 and 2021*. Although the province unveiled a 10-year housing plan last year, the lack of significant action and follow-up on this plan raises concerns about long-term stability for people who rent.

For the above reasons, New Brunswick received a D for this section. The government has taken some minor steps to address poverty by making some housing commitments and investing in access to health care. However, it has largely failed to pass legislation that addresses long-term poverty, particularly in terms of housing and social assistance. If it does not change course, residents' financial circumstances will likely worsen.

NEW BRUNSWICK

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Roughly 11 per cent of people in New Brunswick live in poverty. This represents an increase of more than four percentage points in a single year between 2021 and 2022 (from 6.7 per cent to 10.9 per cent).

When asked about the importance of measures to reduce poverty, people in New Brunswick ranked school food programs and affordable childcare 8 and 9 percentage points higher than the rest of Canada, respectively.

Diving deeper, this is likely directly related to the provincial child poverty rate of 10.3 per cent (2021 census), which is significantly higher than the national rate of 8.5 per cent. Among households led by single mothers, poverty is also higher in New Brunswick than elsewhere in Canada, at 17.5 per cent versus 14.4 per cent, respectively.

The poverty rate among single parents overall is closely linked to housing costs, as single parents in the province are nearly three times as likely to spend more than 30 per cent of their income on rent and utilities than couples with children (10 per cent).

1 IN 10
children in New Brunswick live in poverty

X2
twice as many recent immigrants to New Brunswick live in poverty, compared to non-immigrants

60%
of residents say that programs to support affordable housing are very important to them

78%
in the province agree that reducing food costs is a very important issue

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in New Brunswick increased 2.9 per cent, which is comparable with Canada as a whole, at 3.4 per cent. While this suggests that cost of living pressures may be easing faster in the province, this is not the case for all essential items.

When it comes to food, New Brunswick had the second-highest increase in cost (after Newfoundland and Labrador), at 6.9 per cent, while Canada as a whole was 5 per cent. This likely explains in part why the province has among the highest incidence of food insecurity in the country.

With this in mind, it is unsurprising that 78 per cent of New Brunswickers—9 percentage points higher than the national average—agree that reducing food costs is a very important issue.

NEW BRUNSWICK

D-

OVERALL GRADE

Encouragingly, the cost of shelter in New Brunswick rose at a much slower rate than elsewhere in Canada: 3.1 per cent, which is half the national increase. However, this is likely a reflection of lower house prices and subsequently lower mortgage debts. Conversely, rent costs increased by 6.9 per cent year over year.

Overall, renters struggle much more with poverty than homeowners. In New Brunswick, over 60 per cent of food bank visitors live in rented accommodation, 31 per cent of people in the province are finding it hard to keep up with rising rents, and 59 per cent say that programs to reduce the cost of rent are very important (10 percentage points higher than the national average and the highest in the country).

Moreover, 60 per cent of residents say that programs to support affordable housing are very important to them (7 percentage points higher than the national average and the highest in the country).

Despite the data telling us that people in New Brunswick struggle deeply with housing, only around 4 per cent of households in New Brunswick live in core housing need, a rate that is close to half the national rate (7.2 per cent), despite an erosion in the number of rental units priced below $750 a month. Furthermore, there was a decline of nearly 40 per cent in the rate of core housing need among households that were renting between 2018 and 2021 (down to 9.5 per cent from 15.5 per cent), nearly three times faster than the national average.

POVERTY AND INEQUALITY IN NEW BRUNSWICK

Immigrants across the country face higher rates of poverty than non-immigrant groups. In New Brunswick, the poverty rates among immigrants are worse than the national average, particularly among recent immigrants, who face a 22 per cent poverty rate in New Brunswick compared to 16 per cent nationally. As immigration grows in the province, New Brunswick will need to find new strategies to help immigrants if they hope to prevent their poverty rates from rising.

The rate of poverty for racialized New Brunswickers was significantly higher (20.3 per cent) than the national rate (12.1 per cent) in 2021. In addition, the majority (76 per cent) of racialized individuals in New Brunswick were first-generation immigrants (born outside of Canada) who experienced a poverty rate of 23.4 per cent, which is higher than the Canada-wide rate of 14.1 per cent.

LABOUR AND EDUCATION

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 15 per cent of youth in New Brunswick were in this situation compared with 11 per cent in Canada as a whole. As New Brunswick is home to an aging population, it is critical that the province reduce this rate and ensure that young adults are entering the workforce.

Notably, minimum wage seems to be a large concern for New Brunswickers, with 54 per cent of residents stating that increasing the minimum wage is important to them. This is 8 percentage points higher than the national average.

NEW BRUNSWICK

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

In 2020, New Brunswick committed to reducing poverty by at least 50 per cent by 2030, mirroring the Federal Government's target. Although it temporarily achieved this goal during the pandemic, thanks in part to Federal COVID-19–related income support from, the province has not made enough effort in the last two years to protect this progress from eroding. Instead, the New Brunswick continues to rely heavily on initiatives that were put in place in the early days of the pandemic, which indexed social assistance benefits and minimum wage rates.

Over the past two years, New Brunswick has experienced a historic increase in its population. Between 2021 and 2023, *from other parts of the country and from outside of Canada. The population growth in that two-year period was greater than the total growth over the preceding 29 years*. This unprecedented increase in population has spurred significant economic activity and tax revenues, giving the provincial budget a *surplus of $1 billion last year, up from $777 million compared to the year before*. Much of this surplus is being used to cut taxes and pay down the debt, *rather than being reinvested in critical services, support, and infrastructure*. *The latest provincial budget forecasts a much smaller surplus* of $41 million, but history would suggest it will likely be much higher.

The population boom has also placed considerable strain on the housing stock. Last year we recommended that the province accelerate housing construction to 500 units per year, with a goal of building 2,500 units of affordable housing by 2025 to address the *significant decline in affordable housing stock across the province*.

While construction has begun on more than 8,500 new units over the past two years, the rate of construction has not kept pace with the population growth. If this situation is left unaddressed, it could undermine New Brunswick's progress on housing affordability and lead to rent increases for people with fixed incomes who are already vulnerable to housing insecurity. The province has also resisted advocacy efforts to reinstate the rent cap that was introduced during the pandemic. Instead, it has opted for an aspirational *target that would see rent increase by no more than 2.5 per cent per year*, a goal that was not achieved last year.

The latest provincial budget includes some notable new investments in affordable housing, building on the creation of a Rent Bank which helps with targeted rent supplements to prevent eviction as well as the introduction of *direct-to-tenant subsidy for low-income seniors*. The province expects to invest a very modest amount of about *$30 million to support a variety of initiatives for repairs and construction*, although the impact on speeding up new development is unclear and potentially minimal in the short-term.

In 2023, the province introduced a *new housing strategy* that includes additional investments in affordable housing construction, as well as the creation of a modest provincial portable housing benefit and a rent bank. However, the new strategy commits to building only 800 units over the next three years, which falls far short of what is needed.

The creation of a portable rent supplement is a worthy and constructive step and builds on best practices in other jurisdictions, such as Manitoba and British Columbia. While the benefit has yet to be introduced, it will be important to ensure that it is broadly available to residents who have low incomes. The proposed *Direct to Tenant Rental Benefit* is intended to assist up to 3,000 households annually, with $22 million in support. Although it is helpful, it is nonetheless still a modest level of support.

NEW BRUNSWICK

D-

OVERALL GRADE

In response to the current cost-of-living crisis, the province recently introduced a ***$300 one-time payment for households with low incomes*** called the New Brunswick Workers Benefit. This partly responds to a recommendation we made last year that the province enhance and make permanent its Emergency Food and Fuel Benefit. However, ***the New Brunswick Workers Benefit is only available to residents who have a family working income of at least $3,000 per year***, which effectively excludes people who are most vulnerable and/or on extended social assistance. The province also increased the Low-Income Seniors Benefit ***from $400 to $600***. This benefit is primarily designed for seniors with low incomes who already receive the federal Guaranteed Income Supplement or allowance payments for widows.

New Brunswick has a provincial election this fall. It is imperative that all parties prioritize poverty reduction efforts in their campaign platforms to demonstrate widespread support for the end of systemic poverty.

NEW BRUNSWICK

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

POVERTY REDUCTION

1. Revise the Poverty Reduction Strategy within 120 days of a new government taking office.

NEW POLICY

The province must take advantage of the significant increase in public revenues it has received over the last two years and invest in a more ambitious plan as part of a revised poverty reduction strategy. This strategy should be tabled within 120 days of the next provincial government being sworn in.

2. Dedicate a portion of future surpluses to ensuring equitable growth.

NEW POLICY

Despite the province having accumulated nearly $2 billion in surpluses over the last two fiscal years, residents have not benefited from a significant reinvestment in services and support. The province should ensure that a minimum of one-third of any future surplus is dedicated to efforts to reduce poverty, build affordable housing, and support the creation of good jobs.

3. Address child and seniors' poverty.

NEW POLICY

As part of the proposed new poverty reduction strategy, we call on the next provincial government to prioritize reducing child poverty, particularly among single parents, and seniors' poverty, particularly among those who live alone. This could be addressed by introducing the following measures:

a. Expanding eligibility for the Low-Income Seniors Benefit to all seniors in the province who receive the federal GST Credit.

b. Introducing a provincial supplement to the Canada Child Benefit (CCB), to help support low-income households that receive the maximum federal credit. This could be modelled on Nova Scotia's highly successful child benefit program.

AFFORDABLE HOUSING

4. Establish a formal rent control guideline.

NO PROGRESS

While the provincial housing strategy sets a notional target maximum rent increase of 2.5 per cent, it has no backing in law or policy. This is especially troubling in the context of rising housing demand because of a massive influx of new residents.

NEW BRUNSWICK

D-

OVERALL GRADE

5. Establish a New Brunswick Build Program, modelled on the low-cost loans program the federal and BC governments have recently piloted.

NEW POLICY

This program should target the construction of a mixture of affordable private and public market housing units, with the goal of building 3,000 units over the next three years—almost quadruple the existing level of effort from the provincial government.

EDUCATION AND DECENT WORK

6. Develop a youth employment and training strategy with the goal of reducing the rate of youth not in education, employment, or training (NEET) by 25 per cent within the next three years.

NO PROGRESS

New Brunswick has one of the lowest levels of post-secondary education attainment in Canada, and the second-highest rate of youth aged 15–29 who are not in education or training or looking for work/working (NEET). This would bring New Brunswick closer into line with neighbouring Quebec and PEI.

7. Focus on making work pay better and connecting youth with skilled trades opportunities.

NO PROGRESS

As part of the proposed youth employment strategy, New Brunswick should consider adopting a version of a refundable tax credit for households with low incomes, modelled on the enhanced Low-Income Workers Tax (LIFT) credit proposed for Ontario. In light of the need to build additional housing capacity quickly, New Brunswick should introduce an apprenticeship award to provide several thousand dollars in bonuses to youth who were not previously working or in training and have returned to school to learn a trade. This should also be made generally available for people who are receiving provincial social assistance and are transitioning into a trade, and would provide a top-up equivalent to approximately six months on benefits.

INCOME SUPPORT

8. Redesign the New Brunswick Workers Benefit

NEW POLICY

Given the difficulties with implementation, and the continuing pressures on residents with the rising cost of living, we recommend the province focus on enhancing the adequacy of social assistance. Despite recent gains because of indexation, social assistance rates in New Brunswick remain among the lowest in the country.

Food Banks Canada | Banques alimentaires Canada

2024

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

C- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	52.2%	F	D-
People Paying More than 30% of Income on Housing	28.2%	A-	D
People Having Trouble Accessing Healthcare	17.6%	D	F
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	40.7%	D+	A-
Percent of Income Spent on Fixed Costs beyond Housing	54.3%	C+	D

D- SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	9.8%	F	D+
Provincial Welfare as a Percentage of the Poverty Line (Singles)	64%	C+	C+
Provincial Disability Welfare as a Percentage of the Poverty Line	71%	C+	C+
Unemployment Rate	7.4%	F	F
Food Insecurity Rate	28.6%	F	F

C+ SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	20.7%	C+
Inadequate Standard of Living	28.1%	B-

B SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	B	D

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

CONTEXT

After a strong year of political action in PEI, residents can have hope that the standard of living in the province is on the rise. While report card grades may not reflect a population that is thriving, if PEI continues in this direction, low incomes and poverty should soon be improved.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Prince Edward Island (PEI) received an overall grade of C in the Experience of Poverty section, which is the same grade it received in 2023. This suggests that conditions in the province have remained stable. PEI also received the highest grade among all the provinces for this section, overtaking Quebec, which came top in 2023.

However, while the overall grade remained the same, several indicators showed a decline. Most notably, the province received a failing grade for the number of people who feel worse off now than they did the previous year—last year it received a D-. It experienced the second-highest decline in the country/ for this indicator, with Newfoundland and Labrador experiencing the highest decline, and scored second-lowest in the country. In addition, among people receiving government support, twice as many said that rates were inadequate compared the year prior (40.7 per cent in 2024, compared to 20.8 per cent in 2023), causing PEI's grade for this indicator to fall from an A- to a D+.

Conversely, residents experienced improvements in a number of other indicators. PEI scored best in the country by an extremely wide margin for housing costs: it received an A- for this indicator, while everywhere else in the country received a failing grade. This year, 28.2 per cent of people said they spent more than 30 per cent of their income on housing, 7 per cent points lower than last year and nearly 10 percentage points lower than New Brunswick, the next best province. However, this suggests that nearly 1 in 3 residents are dealing with unaffordable housing, which is still far too many.

Overall, despite improvements to the housing, fixed costs, and health care indicators, PEI residents still report feeling much worse off than the year before.

REPORT CARD SECTION 2: POVERTY MEASURES

PEI received a D- for this section, which is slightly lower than the D grade the province received in 2023. Despite this low result, PEI received a better grade than half the country, including Canada, which received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

Nearly 1 in 10 Islanders (9.8%) are living below the official poverty line, as determined by the Market Basket Measure. This is an increase of 2.4 percentage points compared to 2023. Every province except Quebec received a failing grade for poverty.

By many poverty indicators, compared to the rest of the country PEI residents generally experience a higher standard of living. However, one exception to this is its food insecurity rate, which is second highest after Nova Scotia among the provinces. More than 1 in 4 Islanders (28.9 per cent) are experiencing food insecurity in 2024, a 5 percentage point increase compared last year. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including PEI, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Due to the small population of PEI, our polling in the province had a relatively small sample size. This means that fewer people were able to respond to our MDI Survey which can lead to statistical anomalies. Therefore, while we have drawn analyses based on our dataset, this small sample size should be taken into consideration.

PEI has the highest standard of living in the country, according to the Material Deprivation Index. It received a C+ for this section, just ahead of the next two best scoring provinces, Quebec and Manitoba, who received C and C- grades, respectively. The province also scored higher than the Canada grade of D+.

PEI outperformed all the comparable Atlantic provinces by a large margin. Nova Scotia and Newfoundland and Labrador received failing grades, the worst in the country, and New Brunswick received a D+. PEI has the lowest proportion of residents reporting either severe or inadequate standards of living.

Still, just over one-fifth of residents in the province are missing three or more items that are considered necessary for a decent standard of living. This indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, nearly one-quarter of the population report missing two items, suggesting they experience an inadequate standard of living. While these are the best in the country, this is still an unacceptably large number of people living in material deprivation.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

REPORT CARD SECTION 4: **LEGISLATIVE PROGRESS**

Prince Edward Island continues to be a shining example of how determination can overcome the twin challenges of a small population and relatively constrained finances to drive poverty reduction efforts.

Key Actions:

- Announced many new housing measures, including a *new five-year housing strategy*, a *Rent-to-Own pilot program* that enables eligible residents to purchase a home without an immediate down payment or pre-approved mortgage, and an HST rebate on *eligible new rental development*.
- Improving everyday affordability by committing to a *minimum wage increase*, *expanding access to sick leave* to all workers, increasing *all social assistance rates by upwards of 5 per cent*, and expanding *access to free heat pumps* for qualified low-income households.
- Announcing *changes to provincial income and property taxes* to help residents —for example, a new five-bracket tax system, increases to the basic personal amount, increases to the low-income tax reduction and age credit, and a doubling of the Children's Wellness Tax Credit from $500 to $1000.
- Improving childcare by achieving *$10-a-day childcare for all children* who attend Early Years Centres and licensed Family Home Centres, providing *funding* for the creation of more childcare spaces, and *expanding grants for home childcare* centres in collaboration with the federal government.

By increasing the minimum wage and social assistance rates, and introducing substantial housing commitments, including a mix of support to both homeowners and people who rent, PEI has made great strides toward poverty reduction since its last report card.

However, although the housing developments are promising, homeowners will experience the majority of the immediate benefits. More support is needed now for people who rent, as rental costs have *increased by 23.6 per cent since 2019*. Continued support for renters and for expanding affordable housing should be a priority for the province.

Going forward, indexing social assistance rates would provide long-term protection of income for people who rely on those supports.

For the above reasons, PEI received an B for this section. The government has emerged as a leader among the provinces and has introduced legislation that should result in positive outcomes for residents with low incomes. In the future, it must take action on indexing social assistance and supporting people who rent.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

PEI has a poverty rate of 9.8 per cent which is relatively similar to that of Canada as a whole (9.9 per cent). Between 2015 and 2021, poverty rates in PEI declined by almost half, and about 7 per cent faster than the national average.

Despite the province's being relatively on par with Canada as a whole in terms of overall poverty rates, people from some key demographics in PEI are struggling with higher rates of poverty. The poverty rate for children in PEI is 10.2 per cent, for example, which is noticeably higher than the national rate of 8.5 per cent. Similarly, seniors (aged 65+) living alone have a 12.3 per cent poverty rate, while the national average is 10 per cent. For all adults who live alone, including seniors, the poverty rate is 21 per cent. While this number is similar to the national average, it is a worryingly high figure that merits the government's attention.

1 IN 10
children in Prince Edward Island live in poverty

1 IN 3
visits to food banks in PEI were from employed individuals in 2023 — highest in the country

25%+
of racialized PEI residents live in poverty, nearly three times the provincial rate

28.6%
of Prince Edward Islanders experience food insecurity

Single parents also continue to struggle, just as they do across all Canadian jurisdictions. A single adult caring for a child or children had a poverty rate of 15 per cent, which is similar to the national rate of 14.4 per cent, and 15 per cent of all food bank visits in the province were from single-parent families. The poverty rate for couples with children in PEI is 5.3 per cent.

When it comes to poverty reduction in PEI, solutions to reduce food costs, improve health care, reduce taxes on households with low incomes, and expand affordable housing would make the biggest impact. Among these solutions, health care stands out as an important issue, with 85 per cent (the highest in Canada and almost 20 percentage points above the national average) of Islanders stating that a stronger health care system is very important and that addictions are an issue in their community that needs to be addressed (65 per cent, or 13 percentage points above the national average).

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

LABOUR AND EDUCATION

While it is well known that PEI has an aging population (residents aged 65 and over represented *21 per cent of the population* in 2023), *the province is also experiencing the second-fastest population growth in Canada* which has caused the median age to fall. This has in turn translated into the fastest employment growth in the country, *with the number of employed Islanders having increased by nearly 6 per cent in 2023*.

Based on this year's population survey, labour is one of the most significant issues for people in PEI. As of January 2024, the unemployment rate in PEI was 7.7 per cent, which is similar to a year ago but higher than the national rate of 5.7 per cent.

More significantly, PEI has the highest rate of any province of people reporting that low wages are affecting their ability to make ends meet (43 per cent). One-third of all visits to food banks in PEI were from employed individuals in 2023—the highest rate in the country. Beyond this, 38 per cent of people say that it is difficult to access stable employment in their community (8 percentage points higher than the national average). One significant factor that may be affecting this is mental health. Nearly one-quarter of people in the province say that their mental health is impacting their ability to work, maintain finances, or work effectively (the highest rate of any province).

While mental health challenges are holding people back from improving their financial situation, a lack of knowledge about the tax system is also likely resulting in people with low incomes missing out on key benefits they are eligible for. Over 60 per cent of people in PEI say they are not sure which tax benefits they are eligible for—this rate is a staggering 25 percentage points higher than the national average.

Given these issues, the working population in PEI may be feeling very disenfranchised and unsupported by the government.

POVERTY AND INEQUALITY IN PEI

Limited economic diversification, seasonal (un)employment, and demographic shifts, all of which contribute to poverty and inequality in the province, are key challenges in PEI. Indigenous peoples, newcomers, and households with low incomes experience barriers to accessing affordable housing, health care, and education. In terms of income levels, racialized people are nearly five times as likely to have a low income as people who are not racialized (24.4 per cent and 4.9 per cent, respectively).

The rate of poverty for racialized Islanders (27.3 per cent) was more than double the overall Canadian rate (12.1 per cent) in 2021. In addition, the majority (86 per cent) of racialized individuals were first-generation immigrants (born outside of Canada) who experienced a poverty rate of 30 per cent, which is more than double the overall national rate for this group (14.1 per cent).

The poverty rate was 15.4 per cent among all immigrants, and 23.8 per cent for recent immigrants. The overall national rate of poverty for recent immigrants is 16.1 per cent. This is an issue of concern that merits monitoring, particularly in light of PEI's recent population boom.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

Non-permanent residents (people who have a work or study permit or have claimed refugee status) represent a small share (approximately 3 per cent) of the population and their poverty rate was 43 per cent.

The poverty rate among the Indigenous population in PEI was 12 per cent, which is the same as the rate for this group in Canada as a whole (12 per cent) but still higher than among non-Indigenous people.

Of all the Canadian provinces, PEI is tied with Nova Scotia for the highest overall rates of food insecurity. The people who are already stretched because of a combination of low income and high housing costs are also the most likely to experience heightened food insecurity. Strengthening social safety nets, investing in sustainable economic development, and promoting inclusive policies are essential for advancing equity and inclusion in PEI.

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in PEI increased by 2.6 per cent. This increase was slightly lower than it was across Canada as a whole (3.4 per cent), but PEI had the highest increase in food prices of any province at 7.1 per cent during that period.

This increase in the cost of food would partially explain the almost 30 per cent increase in food bank visits in PEI between March 2022 and March 2023. In addition, 80 per cent of Islanders agreed that reducing the cost of food is very important (10 percentage points higher than the national average).

The overall cost of shelter, however, held steady in PEI, compared with the 6 per cent increase across Canada as a whole. However, 30 per cent of people—the highest rate of any province—said that they had difficulty finding adequate housing. As in all other provinces, people who rent in PEI struggle more with poverty and food insecurity than people who own their own homes (with or without a mortgage), with almost 60 per cent of food bank visitors being renters. PEI also has the highest rate of any province for the number of social housing tenants who visit the food bank.

Given the vacancy rate of approximately 1 per cent, these issues are likely to persist. Continued population growth without greater investment in housing and the development of a mix of affordable housing options for all Islanders will put significant strain on the province's ability to provide affordability for everyone.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Thanks to broad, multi-party support and commitment to poverty reduction, ***PEI has one of the best provincial poverty reduction strategies in Canada***. It has clear and measurable targets, includes a commitment to regular reporting and updating, and incorporates ***a focus on food insecurity*** and a disaggregation of different metrics beyond simply a broad-based reduction in the average proportion of poverty.

Despite their strong leadership, the 2024 provincial budget has been criticized for including only modest investments in areas that meaningfully address poverty. However, it does respond to several of the recommendations we made in our provincial report card last year. For example, the province has announced that starting in January 2025, families with a net income of less than $80,000 will begin to receive a tax-free provincial child benefit in addition to their Canada Child Benefit. Although it will only provide a maximum of ***$360 in annual support*** per child to begin with, it fills a gap we previously identified when comparing PEI to other provinces.

PEI has also announced an intention to increase social assistance rates by 5 per cent for 2024, which slightly exceeds 2023's inflation level. While the province stopped short of formally legislating ongoing indexation, which we previously recommended for both tax brackets and social assistance, the increase is a welcome first step to ensure that benefits do not erode over time. As it continues with its commitment to increase the generosity of the basic personal exemption and other tax-related credits, the province should step forward with formal indexation.

Recent housing market challenges and low vacancy rates have prompted the provincial government to step up investments in housing construction, particularly to better support co-ops and non-profit providers. The 2024 provincial budget allocated an additional $10 million for this initiative, which represents a greater level of proportional investment in affordable housing compared to other Atlantic provinces at this time.

However, given the high levels of population growth and the already tight – and deteriorating rental market – there is an urgent need to expand this level of commitment and ensure it continues. Like most provinces, ***PEI is building new homes and rental units at about only half the rate that is required*** to achieve affordable housing conditions. It is already short about 5,000 units.

The province continues to make significant new investments in health care in response to the needs of a growing and aging population. While there is a strong need to improve services for older Islanders, the openness to invest in health care should prompt provincial leaders to explore different primary care models that could address the social determinants of health that lie behind food insecurity and poverty.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

POLICY RECOMMENDATIONS

POVERTY REDUCTION

1. Prior to the next federal election, seek the unanimous support of all federal parties to support a Guaranteed Basic Income pilot in PEI.

NEW POLICY

The idea of implementing a guaranteed basic income (GBI) in PEI has been studied in detail and has cross-party support. PEI is well suited to be a pilot site for GBI because it is an island and has a largely self-contained labour market. However, it does not have a federal partner to help share the costs associated with such a pilot, so the idea is currently on hold. Evidence suggests that, as an effective and targeted policy response to poverty and its associated economic and social costs, a GBI could have dramatic and positive effects not only on income security but also on health, education, and other important social and economic outcomes.

2. Index income in all tax brackets and social payments to inflation

IN PROGRESS

This year, the government increased social assistance rates and made changes to provincial income and property taxes that will help low-income people. Unfortunately, the government fell short on a full comprehensive indexation, both for brackets and for all credits and payments, including social assistance. Until comprehensive indexation is adopted, any efforts to improve the generosity of programs, particularly in light of recent inflationary pressures, will only constitute temporary, short-term responses.

3. Increase the earnings exemptions for single people to $350 per month and a 40% claw back rate, with plans for further increases in the coming years.

NO PROGRESS

Single people who are considered to be employable receive the lowest amount of provincial assistance, which puts them approximately $3,690 below the deep income poverty threshold. This change would be an improvement over the current $250 per month and 30% claw back.

PRINCE EDWARD ISLAND

C-

OVERALL GRADE

AFFORDABLE HOUSING

4. Establish a permanent affordable housing financing fund.

NEW POLICY

It is critical that the province close the gap in affordable housing construction, particularly for purpose-built rentals. This fund should comprise both low-cost financing and targeted subsidies to support the development of a greater mix of affordable options between both market and community housing providers.

CHILDCARE

5. Introduce a child benefit program

PEI has made a commitment in their 2024 Budget to introduce a child benefit program starting in January 2025. While this is a modest program, offering $30 per child each month, it is a positive step and responds to our recommendation from 2023.

Food Banks Canada

Banques alimentaires Canada

2024

NOVA SCOTIA

NOVA SCOTIA

D-

OVERALL GRADE

D- SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	56.7%	F	F
People Paying More than 30% of Income on Housing	40.9%	F	D
People Having Trouble Accessing Healthcare	12.4%	C	B-
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	46.0%	D	C-
Percent of Income Spent on Fixed Costs beyond Housing	61.4%	F	F

F SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	13.1%	F	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	34%	F	F
Provincial Disability Welfare as a Percentage of the Poverty Line	47%	F	F
Unemployment Rate	6.2%	D-	D
Food Insecurity Rate	28.9%	F	F

F SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	29.9%	F
Inadequate Standard of Living	38.9%	F

B SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	B	F

NOVA SCOTIA

D-

OVERALL GRADE

CONTEXT

Nova Scotia has made significant legislative progress since the 2023 report card demonstrating a genuine awareness of the issues facing residents. While the province still has some of the worst results across the first three report card sections, if it continues to progress as they have, these results will certainly improve, and their overall grade will rise.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Nova Scotia received a D- in this section. In 2023, it received a D. The province received failing grades in three sections this year, up from two sections last year, and every indicator shows that residents are experiencing worse poverty in 2024 than in 2023.

Like every province, Nova Scotia received an F for the indicator People Spending More than 30 per cent of Income on Housing, down from a D last year. Four in 10 (40.9 per cent) responded affirmatively to this question, up 5.6 per cent from 2023. With nearly 56.7 per cent of people reporting feeling worse off compared to last year, there are clearly more people struggling in Nova Scotia than not, earning the province another F.

Nova Scotia's other failing grade was for the Fixed Cost Beyond Housing indicator, with fixed costs excluding housing costs representing 61.4 per cent of the average income. However, this has improved slightly compared to last year, when Nova Scotians were spending as much as 66 per cent of their income on necessary expenses beyond housing costs. This figure is nonetheless deeply concerning, as more than 40 per cent of people in Nova Scotia shared that they spend more than 30 per cent of their income on housing. This indicates that after paying for essentials, many people in Nova Scotia have very little or no income left over each month.

One comparatively bright spot is the Accessibility of Health Care indicator, in which Nova Scotia tied with Quebec for the highest grade of all the provinces. This grade comes despite many recent accounts of Nova Scotia's health care system being in crisis.

Overall, this section indicates that living conditions have worsened for Nova Scotians over the last year.

NOVA SCOTIA

D-

OVERALL GRADE

REPORT CARD SECTION 2: POVERTY MEASURES

For a second year in a row, Nova Scotia received an F for this section. Nearly half the provinces, including Canada, received failing grades for this section. Only Quebec, which scored a B-, received a grade higher than a D-.

At 13.1 per cent, Nova Scotia has the highest poverty rate among all provinces, and 1.5 percentage points higher than BC, which has the second highest rate. Nearly 1 in 7 residents live below the official poverty line, as determined by the Market Basket Measure. This is an increase of 4.5 per centage points compared to 2023 – which is also the largest year on year increase of all provinces. Every province except Quebec received a failing grade for poverty.

The province also experiences the highest rates of food insecurity among the provinces. More than a quarter of residents (28.9%) experience some level of food insecurity, up nearly 7 percentage points from 2023. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Nova Scotia has a lower standard of living compared to the national average, according to the Material Deprivation Index. It received a failing grade for this section, which is lower than the overall Canada grade of D+.

Nova Scotia performed second worst in the country, and second worst compared to other Atlantic provinces. While both Newfoundland & Labrador and Nova Scotia received failing grades, our data suggests that a greater proportion of Newfoundland & Labrador residents experience an inadequate or severely inadequate standard of living. Nova Scotia performed worse than New Brunswick and PEI, which scored grades of D+ and C+, respectively.

Nearly one-third of residents in the province are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, just shy of 40% report missing two items, suggesting they experience an inadequate standard of living. This suggests than many in the province have a poor standard of living, the second worst in the country.

NOVA SCOTIA

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Nova Scotia has done well over the past few months to introduce legislation that will help people with low incomes. The commitments it has made to housing over the past quarter should have a substantial positive impact on housing supply and affordability.

Key Actions:

- Announced a ***major new housing plan*** along with other housing commitments like ***new regulations*** to make the development of affordable housing easier and cheaper, ***supporting municipalities*** with necessary infrastructure upgrades, and adding some new ***community***, ***social***, and ***student*** housing units.
- Announced that ***all income assistance streams will be indexed annually to inflation***, with the 2024/2025 rates set at 2.5 per cent.
- Improved social assistance programs like the ***rent supplement for seniors with low incomes***, adding a one-time $150 payment to eligible income assistance recipients, increasing the earned income exemption threshold, and introducing a new disability supplement that provides an additional $300 per month.
- Focusing on workers by ***increasing the minimum wage*** and making changes that will add ***5,000 apprentices*** to the trades.
- Introducing a new three-year ***early learning and childcare plan*** in partnership with the federal government to improve and expand access to services along with several other supports for the childcare sector.
- Allocated $10 million to organizations that ***tackle food insecurity***.

In addition to its strong response to the housing challenge, the province's decision to index all social assistance streams to inflation should make a substantial and lasting difference to households that are struggling with the cost of living. Indexing benefits protects the real incomes of people who receive social assistance from decreasing over time, thus ensuring they can meet their basic needs and maintain a decent standard of living despite rising costs. However, one area in which the province fell short was its increase to the minimum wage. While the increase may appear to be a positive step, the increase was only 1.33 per cent, which is lower than the ***3-4 per cent predicted inflation rate for 2024***. This effectively leaves wages lower than they were one year ago. By contrast, Newfoundland and Labrador is increasing its minimum wage by 4 per cent.

Poverty and food insecurity rates are incredibly high in Nova Scotia, and only New Brunswick has less generous social assistance rates. By committing to indexing rates, introducing a new disability support, and providing a one-time $150 payment to people who receive social assistance, Nova Scotia is taking some steps to support its most vulnerable residents.

For the above reasons, Nova Scotia received a B for this section. While the government has taken a number of significant steps to address poverty and low incomes, it still has not introduced a poverty reduction strategy in over a decade. Without a plan in place, Nova Scotia risks missing key demographics and strategies in its progress toward poverty reduction.

NOVA SCOTIA

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Nova Scotia shows concerning signs regarding the extent of the financial struggle across the province. Perhaps most worrying is that 57 per cent of people are feeling financially worse off than they did one year ago. This is 12 percentage points higher than the national average and 4.5 percentage points higher than reported last year.

While the overall price of goods has risen at the same pace as the national rate, the cost of food increased by 6.7 per cent in Nova Scotia, compared to 5 per cent nationally between December 2022 and December 2023. Forty per cent of Nova Scotians agree that they struggle to access fresh, affordable food. This is 8 percentage points higher than the national average and is the second-highest rate in the country. In addition, 36 per cent of residents agree that they worry about feeding themselves or their family, which is 7 percentage points higher than the national average.

Unsurprisingly, when asked to rank the importance of various solutions to poverty, people in Nova Scotia ranked reducing food costs (97 per cent), reducing the cost of utilities (92 per cent), and reducing taxes on households with low incomes (91 per cent) among the highest priorities.

Nova Scotia has a poverty rate of 13.1 per cent, which is higher than that of Canada as a whole (9.9 per cent) and is the highest of any province by a relatively large margin.

40%
of Nova Scotians struggle to access fresh, affordable food

2 IN 5
Nova Scotians are spending more than 30 per cent of their income on housing costs

57%
of people in Nova Scotia are feeling financially worse off than they did one year ago

97%
of the province say reducing food costs are the highest priority for tackling poverty

One problem that is, broadly unique to Atlantic Canada, is the presence of poverty among the full age spectrum of young children, adults, and seniors (aged 65+). Seniors now comprise almost one-quarter of Nova Scotia's population, and currently almost 6 per cent of seniors in the province live in poverty compared to 4.7 per cent nationally. The poverty rate among seniors living alone is especially high, at 13 per cent. The issue of poverty among seniors must be addressed.

NOVA SCOTIA

D-

OVERALL GRADE

For children (aged under 18), the 2021 poverty rate was 11.4 per cent; roughly 3 percentage points higher than the rest of the country. Poverty among youth aged 18–24 is 18.4 per cent, which is one of the highest provincial rates of youth poverty in Canada.

Other concerning poverty demographics include people who live alone (24 per cent live in poverty compared to 21.5 per cent nationally) and single parents, who had a poverty rate of 18.4 per cent compared to 14.4 per cent nationally. Table 1 shows a selection of demographic groups and their associated poverty rates.

THE COST OF LIVING AND AFFORDABLE HOUSING

The cost of living and affordable housing crises are two of the greatest factors impacting poverty in Canada today.

In Nova Scotia, rental costs surged 12.9 per cent last year, the highest of any province. The costs of owning a home, meanwhile, increased 5.6 per cent, which is slightly lower than the Canadian rate of 6.7 per cent. This reflects a fundamental imbalance in the pace of construction in the rental housing market in Nova Scotia which, like other Atlantic provinces, has been ***exacerbated by a unprecedented growth in population over the last several years***.

One of the most important housing affordability indicators is core housing need. Simply put, this is the percentage of the population living in housing that costs more than 30 per cent of their household income or in conditions that are considered unacceptable. In 2024, 41 per cent of Nova Scotians are spending 30 per cent or more of their income on their housing.

POVERTY AND INEQUALITY IN NOVA SCOTIA

Racialized people in Nova Scotia—especially Indigenous peoples and Black Nova Scotians—experience disproportionate barriers to socio-economic opportunities. They are significantly more likely (23.2 per cent) to experience poverty than people who are not racialized (7.5 per cent). This is nearly double the rate of racialized poverty across the country (12.1 per cent in 2021). In addition, two-thirds (64 per cent) of racialized individuals were first-generation immigrants (born outside of Canada) who experienced a poverty rate of 28.1 per cent, which is also double the national rate (14.1 per cent). Overall, among immigrants, the poverty rate is 13.3 per cent. For recent immigrants, the poverty rate jumps to 23 per cent, compared to a national rate of 16 per cent.

Meanwhile, non-permanent residents (people who have a work or study permit or have claimed refugee status) have a poverty rate of 48.3 per cent, which is higher than the rate for this group in Canada as a whole (41.8 per cent).

The poverty rate among the Indigenous population in Nova Scotia was 11 per cent in 2021, which is similar to the rate for this group in Canada as a whole (12 per cent), and among First Nations people in Nova Scotia, it was 14.2 per cent.

NOVA SCOTIA

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

After decades of decline, in 2021 Nova Scotia experienced its largest population growth since the 1950s. While this growth leads to increased tax revenues, it has also put significant strain on services and contributed to the province's affordability crisis.

In response, the provincial government has recently made significant investments in health care services, but it has not paid the same attention to other areas, such as income security. Although welfare incomes temporarily increased in 2022 because of several one-time payments to help recipients deal with the affordability crisis, these were *not continued in the 2024 provincial budget*. A modest one-time payment of $150 to residents with disabilities who are unable to work is one of the few that are being continued.

However, the recent budget did include measures to *introduce indexation to a number of tax credits and brackets*, including the basic personal amount (BPA). This move addresses, in part, recommendation 4 of our *2023 provincial report card*. Crucially, social assistance rates were not included in the indexation plan. It is therefore expected that the generosity of provincial social assistance will return to its pre-COVID-19 trend of gradual erosion over time as inflation continues to eat up the purchasing power of residents with the lowest incomes.

This last point speaks to the critical need to renew Nova Scotia's *poverty reduction strategy*. First tabled in 2009, the strategy has not been updated despite being four years past its 2020 vision. The province is currently not guided by any targets and is therefore not accountable for what progress is—or is not—made.

Nova Scotia has stepped up its investments in affordable housing construction, but they remain far too modest to have any meaningful impact. The 2024 provincial budget allocated an additional *$15 million for the construction of new public housing units*. The province has not given an exact figure, but it is estimated that this funding will contribute to the construction of approximately 50 new homes. Nova Scotia has taken some strong steps to amend regulations to increase *both density and speed of construction*, but they may not be enough to deal with the current shortfall. Last October, the province released a new *housing strategy* that contained a projected $1 billion investment and a plan to support the construction of 40,000 homes over the next five years. However, recent modelling by the Canada Mortgage and Housing Corporation (CMHC) projects that for Nova Scotia to support its growing population and restore affordability in a market where vacancy rates are already fairly low, it will need *an additional 60,000 new housing units over the next six years*.

Thanks in part to federal funding, the province operates a targeted rent supplement program that provides up to $200 per month to households that are in core housing need and are not currently in rent-assisted housing. The program experienced a *tremendous increase in demand throughout 2023*, which clearly indicates worsening housing affordability conditions. Although the province has increased the number of available rent supplements in the last two years, it also adjusted the program parameters to deal with growing demand by *increasing the eligibility threshold for support from 30 per cent of income devoted to shelter costs to 50 per cent, effectively cutting off support for hundreds of struggling renters*.

NOVA SCOTIA

D-

OVERALL GRADE

We note that ***significant investments are planned*** to introduce a universal provincial school meal program and to continue the expansion of local primary care networks. Money has also been allocated to work toward creating universal access to mental health and addictions support.

These important investments will help to improve the quality and stability of life for many Nova Scotia residents with low incomes. However, these investments must eventually be paired with efforts to improve income security and, more broadly, to recognize that poor health is an outcome of the social and economic conditions in which people live, not a state of being that can be fixed by itself.

NOVA SCOTIA

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

POVERTY REDUCTION

1. Implement a poverty reduction plan for Nova Scotia.

The province's poverty reduction strategy has not been updated in 15 years, so this is a critical step to help determine which areas of investment would have the most impact on reducing poverty over both the medium term and the long term.

INCOME SECURITY

2. Introduce tax indexation, indexing income brackets to inflation

Nova Scotia took a large step forward as it plans to index tax brackets and the basic personal amount starting in January 2025. The government followed-up on this announcement with plans to also index income assistance rates.

3. Remove co-payment for the seniors and family Pharmacare programs.

This move could save people from having to choose between purchasing crucial medications and putting food on the table. It would have a notable impact, as high prescription costs force a significant number of visitors to Nova Scotia food banks to either spend less on food (56%) or leave prescriptions unfilled (50%).

4. Improve the Poverty Reduction Credit by doubling it, indexing it, and expanding eligibility beyond the $16,000 cut-off.

The Poverty Reduction Credit is a unique income support instrument in Canada in that, unlike most government programs at both the federal and provincial levels, it is specifically designed for people who have low incomes and do not have dependent children. This group is often forgotten in policy design, as governments tend to focus strongly on families. Although the credit has been periodically increased since it was introduced in 2010, it has not been enhanced from its current level of $500 per year with an income cut-off at $16,000 per year.

NOVA SCOTIA

D-

OVERALL GRADE

AFFORDABLE HOUSING

5. Expand the Targeted Rental Benefit to anyone in the private rental market who needs it and whose shelter costs exceed 30 per cent of their income rather than 50 per cent.

NEW**POLICY**

This approach would ensure consistency with the design of the federal Canada Housing Benefit. As the Targeted Benefit is co-funded by the federal government, we also recommend Ottawa insist on similar changes to the provincial program.

6. Establish a large fund to offer low-cost loans to help spur the creation of affordable rental housing, with specific conditions in place to ensure these units remain affordable over their life.

NEW**POLICY**

The province is building nowhere near the number of affordable rental housing units it needs to simply keep pace with a growing population, let alone restore a greater degree of affordability to the marketplace. This approach would follow the lead of BC Builds and the federal government and could establish a $1 billion financing pool at a fiscal cost of less than $100 million (assuming some degree of bad debt expenses and below-market lending).

Food Banks Canada

Banques alimentaires Canada

NEWFOUNDLAND AND LABRADOR

2024

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

F SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	49.9%	F	C-
People Paying More than 30% of Income on Housing	40.8%	F	B-
People Having Trouble Accessing Healthcare	33.3%	F	C-
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	52.5%	F	F
Percent of Income Spent on Fixed Costs beyond Housing	64.0%	F	F

D- SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	9.8%	F	D-
Provincial Welfare as a Percentage of the Poverty Line (Singles)	46%	D	D
Provincial Disability Welfare as a Percentage of the Poverty Line	77%	B	B
Unemployment Rate	10.1%	F	F
Food Insecurity Rate	26.0%	F	F

F SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	35.1%	F
Inadequate Standard of Living	44.8%	F

B SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	B	F

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

CONTEXT

Newfoundland has had a promising year in terms of policy action on poverty reduction. While many promising announcements have been made, follow-through with concrete planning and long-term targets is needed if Newfoundland is to turn things around as one of the provinces with the worst grades in 2024.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Newfoundland and Labrador (NL) received a failing grade for this section, a decline from the D+ grade it received in 2023. The province received an F for every single indicator in this section, which suggests that conditions have worsened significantly for residents over the past year. Last year, Newfoundland and Labrador scored forth best in the section, while this year it scored the lowest grade in the entire country, tied with Saskatchewan.

The biggest declines were experienced in the percentage of people who spend 30 per cent or more of their income on shelter costs and the percentage of people who have trouble accessing health care. Grades for these indicators fell from a B- and a C-, respectively, to Fs. Last year, 30.9 per cent of people reported that their housing costs were unaffordable. This year, that figure jumped to 40.8 per cent, or 4 in 10. While housing costs are not the highest in the country, residents have experienced one of the sharpest increases in costs in the past year.

The percentage of people who are struggling to access health care more than doubled in the past year, from 14 per cent to 33.3 per cent. This is the worst score for this indicator in the entire country—second only to BC's 27.3 per cent—and it is particularly shocking given that NL scored among the best for this indicator last year.

Compared to the other Atlantic provinces, last year NL ranked second highest for this section last year but last this year. The only area in which NL experienced any improvement was the adequacy of government supports, but even here the change was minimal (just 2.6 per cent improvement) and more than 50 per cent of residents who receive government supports say the support is inadequate. Overall, for this section, NL failed, with residents' standard of living declining fairly substantially over the past year.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

REPORT CARD SECTION 2: POVERTY MEASURES

Newfoundland and Labrador (NL) received a D- for this section, the same grade it received in 2023. Despite this low result, NL received a better grade than half the country, including Canada, which received failing grades for this section. Quebec, with a B-, is the only province that received a grade higher than a D-.

In NL, nearly 1 in 10 residents live below the official poverty line, as determined by the Market Basket Measure. This is an increase of nearly 2 percentage points compared to 2023. Every province except Quebec received a failing grade for poverty.

The province also received a failing grade in food insecurity. More than a quarter of Newfoundlanders (26 per cent) are experiencing food insecurity in 2024. This year, every single province received a failing grade for food insecurity except Quebec. This demonstrates a widespread and deeply concerning trend of increasing food insecurity throughout the country. The province also has the highest rate of unemployment which, at 10.1 per cent, makes it the only province to have a double-digit unemployment rate.

Every province received a lower grade for this section in 2024 compared to last year, except Nova Scotia and Saskatchewan which received the same grade. This tells us that all the provinces, including NL, are struggling in these measures of poverty and that Canadians across the country are experiencing deteriorating conditions, resulting in a lowered standard of living.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

***A material deprivation index (MDI) is a measure that assesses the extent to which individuals lack access to a list of basic needs. Someone who can afford all items on this list would be living an adequate standard of living. This index allows us to gauge a person's level of economic well-being without looking at income.**

Newfoundland & Labrador has the worst standard of living in the country, according to the Material Deprivation Index. It received a failing grade for this section, lower than the overall Canada grade of D+.

While both Nova Scotia and Newfoundland & Labrador both received failing grades, a greater proportion of Newfoundland & Labrador residents experience an inadequate or severely inadequate standard of living. According to our data, just over 5% more people in the province experience a severely inadequate standard of living compared to Nova Scotia, and just under 6% more experience an inadequate standard of living.

More than one-third of residents in the province – the greatest proportion in the country - are missing three or more items that are considered necessary for a decent standard of living, this indicates that a significant percentage of residents experience a severely inadequate standard of living. Additionally, almost half of the population report missing two items, suggesting they experience an inadequate standard of living. This suggests than more people in Newfoundland & Labrador experience material deprivation than anywhere else in the country.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Last November, Newfoundland and Labrador announced a three-year *poverty reduction plan, supported by an investment that will grow to $85 million annually after three years*. While the full details have yet to be released, the government has shared that the plan will have four key focus areas: reducing child poverty, creating meaningful and sustainable employment, improving incomes, and supporting seniors. The plan also includes a targeted basic income program, an Early Childhood Nutrition Supplement (an expanded version of its Prenatal-Infant Nutritional Supplement, and a 300 per cent increase to the Newfoundland and Labrador Child Benefit.

Key Actions:

- Introduced a new five-point plan that includes, for example, *support designed to increase the availability of affordable housing, making it easier and cheaper to build purpose-built rentals, and a home ownership assistance program*.
- Helping workers with low incomes by *increasing the minimum wage* and *expanding the Employment Stability Pilot* to be province-wide.
- Announced several new childcare measures, including *improving access to childcare* through *two new funding programs*, creating 750 new spaces, and increasing the wages of childcare workers.
- Made several new health care–related changes, including making a *$256 million bilateral health agreement with the federal government* to enhance health care services, launching a new online health service *to increase access to medical information, and increasing rates for home support agencies that provide care to seniors, children and adults with disabilities*.

The new housing plan is focused primarily on incentivizing the private sector to build more affordable housing and has been criticized for its *lack of investment in public housing and lack of transparency.* However, the government has yet to release a full detailed overview of the plan, so it remains to be seen whether private developers will be required to hit affordable housing targets or if the province has even set an affordability target. Regardless, the province has not announced any supports for non-profits to build or purchase housing, which may limit the strategy's overall effectiveness in terms of reducing housing costs.

The increase in the province's minimum wage will help households with low incomes keep up with the rising costs of living. Unfortunately, people who rely on social assistance continue to be left behind. Despite taking positive steps for seniors and households with children through the new poverty reduction strategy, the provincial government has not increased benefits for other demographics in a similar way, which is particularly significant given that *the province stopped indexing benefits to inflation – with the exception of its child benefit – in 2012*.

For the above reasons, Newfoundland and Labrador received a B for this section. The government has introduced legislation that should lead to improved outcomes for residents with low incomes. In particular, it has introduced an ambitious poverty reduction strategy and relatively strong housing plan. However, it has to release either plan in full and more detail is needed for both before their potential impact can be fully assessed. Additionally, the low eligibility thresholds for the new supports may limit their impact. Strong follow-through will be crucial in the coming months as the plans are deployed.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Although the progress made on poverty reduction has been 15 per cent slower in NL than the national average between 2018 and 2021, the overall poverty rate of 9.8 per cent is on par with Canada as a whole (9.9 per cent).

Newfoundland and Labrador faces similar age-related challenges to other provinces across the country, and poverty rates for seniors in NL are similar to the national rate. For example, seniors living alone in NL and across Canada face a 10 per cent poverty rate, which is more than double the rate among seniors who live with others.

Children (aged under 18) in NL experience a child poverty rate of 10.4 per cent, which is notably higher than the national average of 8.5 per cent. This figure underscores the importance of the government's recent focus on reducing child poverty. Youth aged 18–24 have a poverty rate of 14.5 per cent, which is similar to the national rate of 14 per cent for youth.

In NL, the poverty rate for people who live alone was 22.3 per cent, which is higher than the Canadian rate of 21.5 per cent for this group in 2021. A lone adult caring for children had a poverty rate of 19.3 per cent, which is significantly higher than the overall Canadian rate of 14.1 per cent and more than six times the poverty rate for couples with children in NL (3.1 per cent). Almost one-quarter of all food bank visitors in the province are from lone-parent families.

19.3%
rate of poverty for lone-parent families in Newfoundland and Labrador

17%
youth unemployment rate in the province is nearly double that of the rest of the country

1 IN 4
of racialized people in Newfoundland and Labrador live in poverty

40%
of the province is worried about feeding themselves

LABOUR AND EDUCATION

Results from our national poll show that labour conditions remain a large issue for many people in NL. In their responses to the poll, many people across the province said that the current employment system is not working for them and their community. For example, 60 per cent said that increasing the minimum wage is very important to them, 23 per cent agreed that low wages are affecting their ability to make ends meet, and 39 per cent agreed that they have difficulty accessing stable employment. These responses are 13, 6, and 9 percentage points, respectively, above the national average, and are the highest among all the provinces.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

As of March 2024, the unemployment rate in NL was 10.1 per cent, which is substantially higher than the national rate of 6.1 per cent. Additionally, as of January 2024, the percentage of people who were participating in the workforce was lower in NL (58.9 per cent) than the national average (65.3 per cent).

Although overall unemployment has trended down in the province in the last few years, NL still has one of the highest *youth unemployment rates in the country*. Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 17 per cent of youth in NL were in this situation, compared with 11 per cent in Canada as a whole. The rate was higher (21 per cent) for male youth in NL than for female youth. Among NL adults aged 25–64, 14.4 per cent did not have a high school diploma or equivalent. This is significantly higher than the rate of 11.6 per cent in Canada as a whole. It is particularly concerning, as education is a crucial factor in poverty reduction.

There also seems to be some discontent in NL about the structuring of the tax system. Respondents noted that they would like to see wealth redistribution from people in the upper tax brackets, reduced taxes for households with low incomes, and higher taxes for large corporations.

THE COST OF LIVING AND AFFORDABLE HOUSING

Between December 2022 and December 2023, the overall price of goods and services in NL increased by 3.4 per cent, which is the same as the national average. Food increased at a rate of 6.6 per cent, which is slightly higher than the rate in Canada as a whole (5 per cent).

Additionally, the cost of shelter increased by 5.7 per cent in NL, which is similar to the rate of 6 per cent for Canada as a whole. However, certain types of shelter costs experienced higher increases. For example, the cost of owning a home increased by 7.1 per cent in NL, the second-highest provincial increase after Quebec. The cost of rent increased by 4.7 per cent, which is significantly lower than the 7.7 per cent increase in Canada as a whole. This is significant, because NL *does not have a provincial rent control policy* and there are no guidelines to direct, or limit, landlords on annual rent increases.

While these increases match increases in Canada as a whole in many respects, the increase in the cost of living has had a serious impact on people in NL. This year, 50 per cent of Newfoundlanders stated that they are financially worse off than they were a year ago. Forty-three per cent of people said they are struggling to access fresh and affordable food—the highest rate of any province—and nearly 40 per cent of the province is worried about feeding themselves and their family, which is 10 percentage points higher than the national average and the highest rate of any province.

Other fixed costs are also taking up a large portion of people's incomes. In our poll, 72 per cent of people said that reducing the cost of utilities is very important to them. This figure is by far the highest in the country, and it is significantly higher than the national average of 51 per cent. Reducing the cost of transportation was important for 86 per cent of the province, which is 8 percentage points higher than the national average.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

When it comes to the largest cost of all—housing—41 per cent of the province is paying 30 per cent or more of their income for shelter, which leaves little money for other necessities. Fortunately, after *a severe contraction in housing starts in late 2023*, the recent provincial budget forecasts that this sector will *recover moderately* over the next two years. While shelter costs in the province remain low relative to other provinces, residents' incomes are not high enough to cover the current costs of living.

POVERTY AND INEQUALITY IN NEWFOUNDLAND AND LABRADOR

In NL, 3.4 per cent of the population self-identified as belonging to the racialized population. The poverty rate for this group (25.5 per cent) was more than double the Canadian rate (12.1 per cent) in 2021. In addition, 76 per cent of racialized individuals in NL were first-generation immigrants (born outside of Canada). This group experienced a poverty rate of 28.6 per cent, which is also higher than the rate for this group in Canada as a whole (14.1 per cent). The poverty rate among all immigrants was 13.4 per cent, but it was 22.4 per cent for recent immigrants, which is higher than the poverty rate for recent immigrants in Canada as a whole (16.1 per cent).

Non-permanent residents (people who have a work or study permit or have claimed refugee status) experience a poverty rate of 46.5 per cent in NL. This is higher than the poverty rate for non-permanent residents in Canada as a whole (41.8 per cent), and it is significantly higher than the rate for the racialized population as a whole in NL. NL has historically struggled with economic downturns, outmigration, and demographic shifts, all of which exacerbate poverty and inequality in the region.

Indigenous communities, people living in remote areas, and households with low incomes often face significant barriers to accessing essential services and opportunities for employment. Despite these challenges, however, the poverty rate among the Indigenous population in NL was 8 per cent in 2021, lower than the national average of 12 per cent.

Households that identify as Chinese and West Asian are 15–16 per cent more likely than non-racialized households to spend more than 30 per cent of their income on rent and utilitiess. Furthermore, 30 per cent of households that identify as Chinese spend more than 50 per cent of their income on rent and utilities, compared to 12 per cent of non-racialized households.

If NL is to foster equity and inclusion and address the systemic barriers that make it difficult for certain groups to access a decent standard of living, it must encourage collaboration between regional governments, Indigenous organizations, and community stakeholders.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

In 2006, Newfoundland and Labrador became the first province in Canada to introduce a strategy to tackle poverty. In late 2023, it released a new *poverty reduction strategy*, which builds on its original one. This was our top recommendation for the province in our report last year. Although the revised strategy lacks a measurable target for poverty reduction, it does take a broader view of the social determinants of health and treats poverty reduction as an influencing factor in its separate objective of having the healthiest population in Canada by 2031.

In that respect, the new strategy represents a partial step forward. It comes with increased investments, including an immediate increase in benefit rates of between $50 and $175 per month, but it does not include broader structural reforms like accelerated investments in affordable housing or guarantee the future indexation of benefits. In 2023, we also recommended that a new poverty reduction strategy focus particularly on how to reduce child poverty. The new strategy clearly addresses this priority with its commitment to tripling the Newfoundland and Labrador Child Benefit (NLCB) top-up over the next year. Starting in March 2024, with retroactive payments to January 2024, the increase in this benefit offers up to *$1,788 per year in new, tax-free assistance to eligible families for their first child*. An estimated *14,000 children are expected to benefit* from the changes. However, the cut-off rates for eligibility are still very low: families need to earn *less than $28,500 in adjusted net income to be eligible*. In addition, only households with an income of under $17,397 will receive the full amount. Households with incomes of between $17,397 and $28,500 will receive a reduced benefit. The poverty line in St. John's is $50,931 by the Market Basket Measure, so this support is only available to households that make less than half the poverty line—and many households living in poverty are entitled to no support at all.

The new strategy also includes expanded investments for the Prenatal-Infant Nutritional Supplement, which was renamed the *Prenatal-Early Childhood Nutrition Supplement* (PECNS); eligibility and scope was expanded to support low income families from pregnancy until their child reaches age 5. It also extends the provincial school food program to all elementary grade levels. These investments are welcome, but the province should also focus on building the capacity it requires to deliver on the commitments of the early-learning and childcare framework. The availability of childcare spaces has not yet returned to pre-COVID-19 levels, and the proportion of children in childcare is the *second-lowest in the country.* The province must close these gaps and continue to implement the bilateral framework so that working parents have the flexibility and support they need to find and maintain a well-paying job.

When it released its revised poverty reduction strategy, the province indicated that at some point there will be a separate action plan that focuses on seniors. This plan will include a specific new basic income pilot to assist adults who near retirement age – those aged between 60 and 64 - and have low incomes until they reach the typical age for claiming pension and old age benefits. For many seniors, *access to affordable homecare options is an important quality of life issue*, a point which the provincial Seniors' Advocate underlined in a *recent report* released in the same month as the new strategy.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

While the generosity of supports in Newfoundland and Labrador is greater than those in New Brunswick and Nova Scotia, both neighbouring PEI and Quebec provide ***more significant supports for single people and people with disabilities***. In addition, social assistance rates are not indexed the same way tax-administered supports such as the provincial top-up to CCB are.

The province is currently ***projecting a balanced budget in 2025***, which is also when the next provincial election will be held. Its overall debt load has severely limited its ability to make critical investments in the past, but overall fiscal sustainability has improved in recent years thanks to population growth. Despite a temporary decline in oil activity last year, ***Newfoundland and Labrador is expected to lead all provinces in GDP growth in 2024*** before moderating in 2025. In 2022, the province committed to creating a long-term investment fund for its non-renewable resource wealth. ***It is only in its first year of operation***, but if it is properly structured, it could become a recurring income stream to help support long-term investments in addressing the social determinants of health.

Lastly, in late 2023, ***the province released its own housing strategy***, with a focus on helping to increase both the construction of for-profit purpose-built rental units and the development of secondary suites for gentle densification. This is consistent with the actions taken by other provinces, but Newfoundland and Labrador has put no real focus on the development of non-profit affordable housing options.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

POLICY RECOMMENDATIONS

ACCOUNTABILITY

1. Introduce a new poverty reduction strategy.

ACHIEVED

Newfoundland and Labrador announced their new Poverty Reduction strategy in fall of 2023. While the full plan is not yet released and announcements so far are lacking details, this is a strong step in the right direction.

2. Focus on reducing child poverty.

ACHIEVED

The 2023 policy recommendations included a secondary policy ask attached to the implementation of a new poverty reduction strategy, which was that the province should focus specifically on reducing child poverty. The government also achieved this objective, however, have not gone so far as to include specific targets which we did recommend.

3. Adopt meaningful targets for poverty reduction.

NEW POLICY

While we commend the province for updating and significantly enhancing its poverty reduction strategy in 2023, the revised strategy lacks measurable targets and there is no commitment to monitoring and evaluating it. The absence of measurable targets weaken accountability and makes it difficult to assess the impact of policy initiatives. In view of the stated aim to focus on two aspects of poverty reduction in particular—children and seniors—we recommend the province's strategy be updated with two specific goals in mind by 2028:

- Closing the gap in child poverty so that Newfoundland and Labrador at least match the national average before the end of 2028 and is ideally below it.
- Matching Quebec for the lowest rate of poverty among seniors. While the forthcoming basic income pilot for seniors aged 60–64 will not address this objective (as seniors are considered aged 65+), it will help to bring consistency in planning for a smooth and stable transition in living standards as working-age adults approach retirement.

INCOME SUPPORT AND INFLATION PROTECTION

4. Implement widespread indexation of benefits and brackets.

NO PROGRESS

NL has previously recognized indexation as an important aspect of providing adequate support to help people with low incomes, as evidenced by its inclusion in the 2006 poverty reduction strategy. While the NLCB is still indexed, other benefits were de-indexed in 2012. Ensuring that all benefits and brackets are comprehensively indexed so that residents' supports keep up with the changing affordability context is a critical factor in poverty avoidance and poverty reduction.

NEWFOUNDLAND AND LABRADOR

D-

OVERALL GRADE

5. Expand the basic income pilot and partner with PEI.

NEW POLICY

This would help to address competitiveness and labour market distortions associated with the implementation of narrower programs. It could be funded over time with a dedicated source of funds from the province's newly created Future Fund, which intends to reinvest a portion of the proceeds from provincial oil royalties.

WORK AND OPPORTUNITY

6. Work with the federal government to pilot new employment initiatives targeting long-term unemployed and youth.

NO PROGRESS

NL has one of the highest rates of both youth unemployment and the share of young people who are not in employment, education, or training (NEET). The province can take a variety of steps to address this issue, including:

- improving the affordability of and access to post-secondary training and apprenticeships, and
- investing in job development programs with employers to build work-integrated learning opportunities for aspiring young graduates.

However, given the scale and enduring nature of this particular challenge, and its potential impact on the province's future, the federal government will need to be a partner. It could leverage its tools for investing in a variety of EI-related pilot projects that could be scaled up, including changes to early access to Part II job supports and the development of a wage insurance model that would help workers facing long-term unemployment move back into the workforce more easily.

7. Reduce clawbacks on the Moving into the Workforce program, providing an earnings exemption of $500 and a 50-cent clawback on each dollar earned thereafter.

NO PROGRESS

The current Moving into the Workforce program offers little incentive for recipients to enter or return to the labour force and has a sizable clawback on its benefits. For example, a single person can access an earnings exemption on only the first $75 per month plus 20 per cent of their earnings balance.

BROADBAND INFRASTRUCTURE

8. Dedicate up to one-quarter of future surpluses toward expanding broadband infrastructure, with the goal of 90 per cent penetration as soon as possible.

NO PROGRESS

Newfoundland and Labrador has the lowest rate of access for broadband Internet among all the provinces: *78 per cent*. Access to high-speed Internet is as much about quality of life as it is a basic economic necessity, and in some cases, it enables workers to pursue jobs and economic opportunities in one community while they live in a lower-cost community. The province should supplement recent federal investments in universal broadband with its own, accelerated provincial initiative.

Food Banks Canada

Banques alimentaires Canada

YUKON

2024

YUKON

INC

OVERALL GRADE

SECTION 1 GRADE
EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	32.8%	INC	INC
People Paying More than 30% of Income on Housing	53.4%	INC	INC
People Having Trouble Accessing Healthcare	17.7%	INC	INC
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	39.4%	INC	INC
Percent of Income Spent on Fixed Costs beyond Housing	58.5%	INC	INC

SECTION 2 GRADE
POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	8.8%	N/A	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	66%	N/A	C+
Provincial Disability Welfare as a Percentage of the Poverty Line	78%	N/A	B
Unemployment Rate	4.3%	C	B
Food Insecurity Rate	21.2%	N/A	D-

SECTION 3 GRADE
MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	13.8%	INC
Inadequate Standard of Living	18.1%	INC

SECTION 4 GRADE
LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	C	C

YUKON

INC

OVERALL GRADE

CONTEXT

Despite the lowest poverty rate among the territories, Yukon grapples with high housing costs, affordability, and addictions challenges. While the region has seen significant wealth and prosperity, not everyone has shared in these benefits equally. Colonial legacies and extreme remoteness exacerbate this complexity. While the Yukon government has launched a new 5-year housing strategy, many initiatives introduced have been temporary and may not sustain lasting poverty reduction efforts.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Last year, Food Banks Canada was unable to confidently assign the territories a grade because of limited sample sizes. Results across the territories were consolidated, which meant we could not accurately address each territory individually.

Data collection is an ongoing problem for poverty reduction efforts in the North. Without the capacity to collect regular, reliable, and representative data about the experiences of people who live in these communities, it will be difficult, if not impossible, to introduce effective policy solutions.

In an effort to improve the quality of our data this year, we expanded our polling in the North through the addition of phone-based surveys and achieved a larger sample size. While this larger sample size allows for a higher degree of confidence in our analyses, the results still may not accurately represent the circumstances of all communities in the North for a variety of reasons:

- Many residents in the territories live in small communities that are spread out across a vast geographical area. Community experiences vary substantially, which means that statisticians must *survey a much larger proportion of the population* to achieve a representative sample.
- Many First Nations people have *expressed distrust of government data collection* because of historical and ongoing injustices, and therefore may be less likely to respond to polling. It is possible that these feelings of distrust are also held more broadly by Indigenous Peoples, who make up a *large portion of the population of the territories*.
- The territories have the *lowest rate of high-speed Internet access* in the country. Only 63.1 per cent and 67.4 per cent of residents in the Yukon and the Northwest Territories (NWT), respectively, have access to high-speed Internet, compared to 93.5 per cent of Canadians overall. In Nunavut, no residents have access to high-speed Internet.

It is therefore very likely that those who are most vulnerable to poverty, including Indigenous people and isolated communities, were unable to respond to our poll.

YUKON

INC

OVERALL GRADE

REPORT CARD SECTION 2: POVERTY MEASURES

The data provided in this section represent the most current data available for this jurisdiction. Although we make every effort to present updates to our data each year, it's important to note that information related to the territories is often released after provincial data. As a result, Food Banks Canada was not able to update the indicators related to food insecurity, poverty, and social assistance adequacy in this year's report card.

Notably, Poverty Rates and Food Insecurity Rates were high for Yukon in 2023, receiving an F and D- grade respectively.

Social assistance rates in the territory are strong compared to those seen in provinces to the south. Unemployment rates are also relatively strong, as many residents in the territory are employed in the robust natural resource sector. However, over the last year, unemployment rose from 2.9 per cent to 4.3 per cent, causing Yukon's grade to fall from a B to a C. Still, it has the lowest unemployment rate in the country.

Improvements to the incomes of all residents, including measures that focus on helping cover the higher cost of living associated with the North, will likely improve poverty and food insecurity rates.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

See the section 1 context description. As the Material Deprivation Index is sourced from the same survey as section 1 results, we cannot reliably comment on the data as it may not reflect the real-life circumstances of many people living in the region.

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Following the lead set by many of the provinces, the Yukon announced its very own housing plan early this year. It has also introduced several other measures since the last round of report cards, but many of them are one-time actions and temporary measures.

Key Actions:

- Announced a new *five-year housing plan* that includes a one-time *Canada-Yukon Housing Benefit* payment to homeowners and new *affordable* and *supportive* homes projects.
- *Increased municipal funding* by 10.3 per cent to improve the delivery of essential services.
- Helped with inflation-related costs continuing to limit *rent increases in line with inflation*, and increased the *minimum wage from $16.77 per hour to $17.59*.
- Doubled the *remote supplement for workers who live outside Whitehorse* as part of the carbon rebate program and extended the $150 *Inflation Relief Rebate*.
- Helped families with children by making it easier to register for the Canada Child Benefit and investing $500,000 to *strengthen school food programs*.

YUKON

INC

OVERALL GRADE

The territory rang in 2024 by introducing a ***new five-year housing strategy*** that included a twofold target to reduce the number of residents in core housing need by one-third and build 250 affordable homes by 2028. It has already taken strong action to achieve these goals, including investing in a 105-unit housing project, the largest affordable housing development in the Yukon's history.

According to the ***Northern Housing Report 2023***, 20 per cent of all families in the Yukon cannot afford marketing housing without assistance and only 12 per cent have the income required to rent a one- or two-bedroom home. The new housing plan, combined with the increased income thresholds for social housing eligibility, should help ease this pressure.

Unfortunately, allowing rents to increase by almost 5 per cent will have a negative impact on the many renters who are already struggling. While the cap is in line with the CPI, some of the provinces have taken action to hold rent increases below CPI thresholds while the cost of living remains high for many households with low incomes.

For the above reasons, the Yukon receives a grade of C for this section. While the housing action taken since the last report is promising, there is little else in the way of permanent measures to combat poverty in the territory. The Yukon is addressing some key areas, but its support must be more robust and permanent.

YUKON

INC

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

According to the 2021 census, approximately 8.6 per cent of residents in the Yukon live in poverty. Overall, the Yukon is the most prosperous of the three territories, with poverty levels that are generally the same as or better than the national average. This situation is thanks to a ***growing population—the Yukon is now the largest territory, having surpassed the Northwest Territories, strong economic base***, and generally supportive fiscal environment that is able to invest in quality public services. While important gaps in housing, health care, and infrastructure remain, in terms of poverty rates, the Yukon is closer to Canada as a whole than to the other territories.

According to Food Banks Canada's national poll, the top issues for people in the territory are improving infrastructure (97 per cent indicated this is important to them), reducing food costs, increasing Internet access, and providing mental health and addictions support.

90% of people in the Yukon feel that Internet access is important in reducing poverty

57% feel that affordability in the Yukon has an imapct on mental health

97% of people in the territory feel that improving infrastructure is a top issue

53% of Yukon residents are spending more than 30 per cent of their available income on shelter

COMPARISON WITH OTHER TERRITORIES

The poverty rates among families and individuals differ greatly among the three territories. For example, in the Yukon, the overall poverty rates are similar for both people who live alone and people who live with a spouse or partner. One exception to this is the rate of poverty among lone parents who are women. The poverty rate for this group in the Yukon is slightly below the rate for Canada as a whole. In the NWT, however, couples, single mothers, and people who live alone had slightly higher poverty rates than the national rates. In Nunavut, poverty rates were higher overall than the Canadian average, with significantly higher rates among single parents and people who live alone.

YUKON

INC

OVERALL GRADE

TABLE 1. POVERTY RATE FOR SELECT GROUPS BY CANADA AND THE TERRITORIES (%), 2021 CENSUS)[1]

SELECT GROUPS	CANADA	YUKON	NWT	NUNAVUT
All residents	8.1	8.6	11.1	34.9
Couples with children	4.0	3.7	6.6	31
Couples without children	3.9	4.0	5.0	9.5
Lone parents	14.1	14.0	22.4	54.7
Lone mothers	19.7	14.2	23.1	55.4
Single people without children	21.5	20.7	22.1	39.3

For people in the Yukon who do not have children, there is a very stark contrast in the level of poverty between those who live alone (20.7 per cent) and those who live as a couple (4 per cent). Among single seniors, the poverty rate is 18.6 per cent compared to 3.1 per cent among seniors who live as a couple. This difference underscores the severe impact of the cost of living in northern and remote communities, even in places like the Yukon, where incomes are generally high.

POVERTY AND INEQUALITY IN YUKON

Unfortunately, the small sample sizes mean that Statistics Canada does not report poverty rates that allow for disaggregated analysis in the territories by Indigenous or racial identity, or by immigration status. However, knowing that these demographics generally experience higher rates of poverty across Canada—as seen in the data for the provinces—we can assume that the Yukon is similar and that it must provide additional support for groups that have a disproportionate experience of poverty.

This is particularly true with respect to First Nations and Indigenous people. In 2021, people who self-identified as Indigenous represented 22 per cent of the population of the Yukon. The majority were First Nations people.

According to the last census in 2021, immigrants represented 14 per cent of the Yukon's population; one-fifth of them are recent immigrants (people who arrived in Canada between 2016 and 2021). Non-permanent residents (people who have a work or study permit or have claimed refugee status) represented a small share of the population at less than a thousand people.

[1]Note that the Canada-wide rate reports poverty on the basis of the national MBM, while the results for the territories use the Northern-specific MBM (MBM-N). If the MBM-N were applied as a concept to the rest of Canada, overall rates of poverty nationally would be higher because of the higher level of income that is assumed to be needed to pay for certain essentials.

YUKON

INC

OVERALL GRADE

LABOUR AND EDUCATION

As of March 2024, the unemployment rate in Yukon was 4.3 per cent. This is a notable increase over the last year (+1.4 percentage points) but still well below the rate in Canada as a whole (5.7 per cent). Furthermore, the percentage of people who were participating in the workforce was much higher in the Yukon (73.8 per cent) than in Canada as a whole (65.4 per cent) as of January 2024, reflecting the territory's strong underlying economic base.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 11 per cent of youth in the Yukon were in this situation, which is similar to the national average.

Among Yukon adults aged 25–64, 12.3 per cent did not have a high school diploma or equivalent. This is comparable to the rate for this group in Canada as a whole (11.6 per cent), but the rate is higher among Yukon men (16 per cent).

A particular challenge for the Yukon's labour market is poor Internet access, which hinders access to remote work. Almost 90 per cent of the population agree that Internet access is important in reducing poverty, compared to 72 per cent nationally. Without access to high-speed Internet, people living in the Yukon may struggle to access economic opportunities elsewhere in the country. This type of access is vital in communities where economies can be small in scale.

THE COST OF LIVING AND AFFORDABLE HOUSING

As with other variables, data is not readily or consistently available at the territorial level to allow for a robust assessment of certain essentials such as food and shelter. However, when we look specifically at Whitehorse, we can see patterns at the census metropolitan level. Between December 2022 and December 2023, for example, the overall price of goods and services in Whitehorse increased by 3 per cent, which is comparable to Canada overall (3.4 per cent), according to the Consumer Price Index.

The price of food in Whitehorse increased by 4.7 per cent, which is comparable to Canada as a whole (5 per cent). However, the cost of food in Northern communities remains significantly higher than in the rest of Canada because of the overall higher costs of living in remote and isolated areas, coupled with the high costs of shipping and storing perishable and nutritious food. Thirty-eight per cent of people in the Yukon say that they struggle to access fresh and affordable food. That figure is 6 percentage points higher than the national rate.

The cost of shelter increased by 5 per cent in Whitehorse, which is slightly lower than the increase in shelter costs in Canada as a whole (6 per cent). Our national survey revealed that roughly 53 per cent of people in the Yukon are spending more than 30 per cent of their available income on shelter, indicating potential core housing need. Among renters as a whole, 24.9 per cent are experiencing financial stress related to their housing costs; among renters who live in social housing, 28.3 per cent are experiencing this type of stress.

Underlying much of the discussion around the cost of living is the impact that affordability has on mental health. Addictions remain a significant problem across the country in both the territories and provinces, but in the Yukon, 57 per cent of people say that they are an issue in their community. That figure is 5 percentage points higher than the national average.

YUKON

INC

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Since the last election in 2021, the Yukon has been administered under a ***confidence and supply agreement (CASA) between the local Liberal and NDP parties***. This agreement, which was subsequently renewed and enhanced in 2023, has established key commitments on housing, affordability, and health care, among other priorities.

Perhaps one of the most significant reforms put forward by the CASA has been the ***$100/month increase in social assistance*** rates, announced in the 2023 budget. This increase is meant to represent a first step toward a broader review of the adequacy of the territory's income support programs. The review is ongoing, but the recently tabled 2024 budget did not specify when the results of the review would be announced.

Social assistance in the Yukon has traditionally been somewhat more generous than in other jurisdictions to account for higher living costs, but it is not overly generous. Although a single person with a disability, or disabilities, is ***likely living above the deep poverty line***, they, along with most residents who rely on income support, are still well below what would be considered a living income, particularly in remote areas where the costs of living are significantly higher.

Thanks to the CASA and other priorities of the government, the Yukon has been an early leader in Canada in new investments to improve primary health care, including the adoption of a territory-wide dental care benefit for residents who do not have coverage. First implemented in last year's budget, this benefit provides ***up to $1,300 in support***.

The Yukon is one of the few jurisdictions in Canada that has no codified eviction protections for renters, which means that landlords can evict tenants without cause. In last year's report, we recommended the territory adopt meaningful rent control measures. This recommendation is more urgent than ever. The CASA committed to eliminating no-cause eviction, undertaking a review of tenancy laws, and establishing rent increase guidelines to limit annual shelter cost increases to between 2 and 5 per cent and give renters more predictability and consistency. However, although the elimination of no-cause evictions was meant to be "immediate" under CASA, the change has been ***bundled into the broader review of tenancy law*** that has yet to be undertaken.

We also recommended last year that the territory use its surpluses, which have been large in recent years, more strategically to reinvest in the core social and economic infrastructure needed to ensure prosperity is adequately shared. While the 2024 Yukon budget commits an additional ***$50 million to capital investments in housing***, a portion of this comes from ***much higher federal transfers***. The territory is still expected to yield ***a surplus of over $100 million***. These funds could be the basis of a generational renewal in the territory, which in turn could help accelerate further growth.

YUKON

INC

OVERALL GRADE

POLICY RECOMMENDATIONS

STRATEGY AND ACCOUNTABILITY

1. Dedicate a significant portion of future surpluses to a Generations Fund.

NO PROGRESS

Set aside a modest amount of future surpluses for contingency and debt reduction and use the remaining funds to provide a recurring and growing source of revenue for investment in the construction of affordable housing, the expansion of broadband infrastructure, and the enhancement of poverty reduction policies, including investments in employment and training opportunities, as well as potential long-term enrichment of income support.

2. Develop a long-term capital plan to address critical infrastructure gaps in housing, food production, and broadband access.

NO PROGRESS

Building on the recommendation for a Generations Fund, this plan should include a goal to reduce gaps between northern and southern communities in three key areas over the next five and ten years: housing, broadband, and local food production. It should be viewed as a combined capital plan that is jointly funded by both the territorial and federal governments.

COST OF LIVING

3. Index and enhance the Yukon Supplementary Allowance for people with disabilities who receive social assistance.

NO PROGRESS

While most social assistance supports are indexed in the Yukon, one critical exception is the Yukon Supplementary Allowance for people with disabilities who receive social assistance. As federal enhancements to the GST credit are likely to end later this year, Yukon should begin indexing the Supplementary Allowance and also provide an additional $50/month in recognition of the recent surge in food and shelter prices and the likelihood that inflation will remain elevated in Northern Canada for the foreseeable future. This would be in addition to the recent increase in social assistance rates that were announced in 2023 as part of CASA.

AFFORDABLE HOUSING

4. Adopt meaningful rent control and tenant protections.

IN PROGRESS

More than a year has passed since the territorial government announced a commitment to "immediately" end no-cause eviction, but the legislation to enable it has yet to be finalized. The government must make this commitment its chief priority and follow through on it. Changes to enhance tenant protections and implement a meaningful rent control guideline are also necessary but should be seen as a second step in this process.

Food Banks Canada

Banques alimentaires Canada

NORTHWEST TERRITORIES

2021

NORTHWEST TERRITORIES

INC

OVERALL GRADE

INC

SECTION 1 GRADE

EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	23.4%	INC	INC
People Paying More than 30% of Income on Housing	67.0%	INC	INC
People Having Trouble Accessing Healthcare	0.0%	INC	INC
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	33.3%	INC	INC
Percent of Income Spent on Fixed Costs beyond Housing	42.8%	INC	INC

INC

SECTION 2 GRADE

POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	10.2%	N/A	F
Provincial Welfare as a Percentage of the Poverty Line (Singles)	112%	N/A	A+
Provincial Disability Welfare as a Percentage of the Poverty Line	93%	N/A	A+
Unemployment Rate	5.0%	D+	D+
Food Insecurity Rate	20.4%	N/A	D

INC

SECTION 3 GRADE

MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	7.4%	INC
Inadequate Standard of Living	11.7%	INC

F

SECTION 4 GRADE

LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	F	B

NORTHWEST TERRITORIES

INC

OVERALL GRADE

CONTEXT

The Northwest Territories faces deep poverty challenges, including high rates of food insecurity and poverty, as well as steep costs for housing and other essentials. These factors are made worse by limited finances and the enduring impact of colonialism. Compared to other territories the NWT government has largely neglected to address these issues in 2024. While there were efforts in 2023, such as raising the minimum wage and modernizing social assistance, progress on poverty reduction initiatives has stalled this in 2024.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Last year, Food Banks Canada was unable to confidently assign the territories a grade because of limited sample sizes. Results across the territories were consolidated, which meant we could not accurately address each territory individually.

Data collection is an ongoing problem for poverty reduction efforts in the North. Without the capacity to collect regular, reliable, and representative data about the experiences of people who live in these communities, it will be difficult, if not impossible, to introduce effective policy solutions.

In an effort to improve the quality of our data this year, we expanded our polling in the North through the addition of phone-based surveys and achieved a larger sample size. While this larger sample size allows for a higher degree of confidence in our analyses, the results still may not accurately represent the circumstances of all communities in the North for a variety of reasons:

- Many residents in the territories live in small communities that are spread out across a vast geographical area. Community experiences vary substantially, which means that statisticians must *survey a much larger proportion of the population* to achieve a representative sample.
- Many First Nations people have *expressed distrust of government data collection* because of historical and o going injustices, and therefore may be less likely to respond to polling. It is possible that these feelings of distrust are also held more broadly by Indigenous Peoples, who make up a *large portion of the population of the territories*.
- The territories have the *lowest rate of high-speed Internet access* in the country. Only 63.1 per cent and 67.4 per cent of residents in the Yukon and the Northwest Territories (NWT), respectively, have access to high-speed Internet, compared to 93.5 per cent of Canadians overall. In Nunavut, no residents have access to high-speed Internet.

It is therefore very likely that those who are most vulnerable to poverty, including Indigenous people and isolated communities, were unable to respond to our poll.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

REPORT CARD SECTION 2: POVERTY MEASURES

The data provided in this section represent the most current data available for this jurisdiction. Although we make every effort to present updates to our data each year, it's important to note that information related to the territories is often released after provincial data. As a result, Food Banks Canada was not able to update the indicators related to food insecurity, poverty, and social assistance adequacy in this year's report card.

Similar to Yukon, the Northwest Territories (NWT) received high grades in the 2023 assistance indicators but relatively lower grades throughout the rest of this section.

Social assistance rates in the NWT were the best among the territories and provinces in 2023. In the case of single adults, assistance rates provide incomes above the official poverty line.

NWT is one of the regions in which assistance clients with disabilities receive less money than people without disabilities. This discrepancy should be eliminated by increasing disability assistance levels to be on par.

Despite the higher assistance rates, the Poverty Rate was high in 2023, scoring them a failing grade. The Unemployment Rate is among the lowest in Canada, however at 5 per cent they still received only a D+. Changes to poverty and food insecurity rates will likely be helped by improvements to the incomes of all residents, including measures that focus on helping cover the higher cost of living associated with the North.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

See the section 1 context description. As the Material Deprivation Index is sourced from the same survey as section 1 results, we cannot reliably comment on the data as it may not reflect the real-life circumstances of many people living in the region.

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Poverty in the Northwest Territories (NWT) is a deeply complex issue that is exacerbated by the enduring impact of colonialism. This year, the NWT has failed to respond adequately to the severe challenges facing its residents. While its resources are unarguably limited, last year it showed that it is capable of introducing effective legislation. Furthermore, neighbouring territories have managed to introduce effective affordability policies this year.

Key Actions:

- Announced *50 new affordable homes for Yellowknife, with investment from the federal government*.
- Helped residents deal with affordability issues with a one-time increase in the *Senior Home Heating Subsidy of $65 per month* (now $175/month), announced a one-time additional *benefit for people who receive Income Assistance* to help them with the costs of food, and *suspended the carbon tax* on diesel home heating fuel until 2027.
- Achieved an average *$10 per day regulated childcare*.
- Signed two *bilateral agreements with the federal government to improve health care access and services* across the territory.

NORTHWEST TERRITORIES

OVERALL GRADE

Achieving $10 per day childcare ahead of schedule is a significant milestone for the territory and will save families up to $9,120 a year per child. Despite these successes, compared to the action taken by Nunavut and Yukon, the NWT continues to fail to address the significant challenges confronting its residents.

This year, the Yukon introduced a robust housing strategy, and both the Yukon and Nunavut raised their minimum wages. At just $16.05 per hour, the minimum wage in the NWT is nearly $2.00 per hour lower than in the Yukon and nearly $3.00 per hour lower than in Nunavut. The NWT government should increase the minimum wage and take more decisive action to continue building on what it achieved last year to ensure long-term success.

For the above reasons, the NWT received an F for this section. The government has failed to take substantive steps to meaningfully address poverty this year. A lack of legislative action to address the need for affordable housing and increase the minimum wage will likely result in worsening financial conditions for residents in the territory.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

According to the Northern-specific market basket measure (MBM) used in the 2021 census, approximately 1 in 10 residents (11.1 per cent) in the NWT experience poverty. While poverty in the NWT is significantly lower than in neighbouring Nunavut, it is still high compared to both the national average and the Yukon's rate. Population growth has recently ***stagnated***, as it has in all the territories, but the NWT has ***significant resource wealth and development potential*** that present major future opportunities for prosperity and equitable growth if properly tapped.

Overall, residents of the NWT identify improving infrastructure, reducing taxes for people with low incomes and for small businesses, promoting decent work, and reducing food costs as top priorities in the alleviation of poverty.

1 IN 10
residents in the Northwest Territories experience poverty

89%
feel that reliable supports to Indigenous communities is an important poverty-reduction strategy

49%
in the territory think it is really important to see an increase in last-resort benefits

7.7%
increase in food costs in Yellowknife, was the highest in Canada

Children and youth, as a combined group, represented over one-third of the NWT's population in the 2016 and 2021 censuses. Children (under 18) represented 25 per cent of the population and youth (aged 18–24) represented 9 per cent. This breakdown of age groups is found in many Indigenous communities across Northern Canada. Young people are a significant demographic, particularly in Nunavut, where they make up half the population. Child poverty in the NWT is significantly higher than in the Yukon (14.5 per cent compared to 8.9 per cent) but much lower than in Nunavut (43.5 per cent). With children making up such a large proportion of the population, the high child poverty rate is all the more concerning.

Conversely, people in their core working years have the lowest poverty rate among all age groups in the NWT, at 9.1 per cent among those aged 25–54. In particular, those who are coupled - and can therefore spread their costs over two incomes, experience poverty at a much lower rate (5.1 per cent).

NORTHWEST TERRITORIES

INC

OVERALL GRADE

COMPARISON WITH OTHER TERRITORIES

The poverty rates among families and individuals differ greatly among the three territories. For example, in the Yukon, the overall poverty rates are similar for both people who live alone and people who live as a couple. One exception to this is the rate of poverty among lone parents who are women. The poverty rate for this group in the Yukon is slightly below the rate for Canada as a whole. In the NWT, however, couples, single mothers, and people who live alone had slightly higher poverty rates than the national rates. In Nunavut, poverty rates were higher in nearly every demographic group compared to the Canadian average, with significantly higher rates among single parents and people who live alone. A majority of single parents in Nunavut live in poverty, which is nearly four times higher than the Yukon (14 per cent) and far outpaces rates seen anywhere in Canada.

TABLE 1. POVERTY RATE FOR SELECT GROUPS BY CANADA AND THE TERRITORIES (%), 2021 CENSUS)[1]

SELECT GROUPS	CANADA	YUKON	NWT	NUNAVUT
All residents	8.1	8.6	11.1	34.9
Couples with children	4.0	3.7	6.6	31
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Lone mothers	19.7	14.2	23.1	55.4
Single people without children	21.5	20.7	22.1	39.3

POVERTY AND INEQUALITY IN NORTHWEST TERRITORIES

Unfortunately, the small sample sizes mean that Statistics Canada does not report poverty rates that allow for disaggregated analysis in the territories by Indigenous or racial identity, or by immigration status. However, knowing that people who identify with these demographics generally experience higher rates of poverty across Canada—as seen, for example, in the data for the provinces—we can assume that the NWT is similar and that it must provide additional support for groups that have a disproportionate experience of poverty.

[1]Note that the Canada-wide rate reports poverty on the basis of the national MBM, while the results for the territories use the Northern-specific MBM (MBM-N). If the MBM-N were applied as a concept to the rest of Canada, overall rates of poverty nationally would be higher because of the higher level of income that is assumed to be needed to pay for certain essentials.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

About *half of the NWT's population* identifies as Indigenous. This is the second-highest proportion in Canada, trailing only Nunavut, where the majority of residents are Inuit. Among Indigenous Peoples in the NWT, two-thirds are First Nations, over 20 per cent are Inuit, and the rest are Métis. While poverty rates among Indigenous people in the NWT are difficult to determine, our national survey revealed that providing regular and reliable supports to Indigenous communities is an important poverty-reduction strategy to 89 per cent of people in the territory. This rate is nearly 20 percentage points higher than the national average and indicates an acute need among the Indigenous population.

In the NWT, nearly 5,000 individuals (12.2 per cent of the population) self-identified as belonging to the racialized population. In addition, 70 per cent of racialized individuals were first-generation immigrants (born outside of Canada). Overall, the NWT has one of the highest rates of people who say that tackling racialized and ethnic inequality is important to reducing poverty—85 per cent, compared to 71 per cent nationally.

LABOUR AND EDUCATION

As of March 2024, the unemployment rate in the NWT is 5 per cent, which is similar to a year ago (5.2 per cent). Furthermore, as of January 2024, the percentage of people who are participating in the workforce is significantly higher in the NWT (72 per cent) than the national rate (65.4 per cent) and much higher than in neighbouring Nunavut (60.2 per cent).

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, 20 per cent of youth in the NWT were in this situation, which is nearly double the rate for youth in Canada as a whole. In addition, one-quarter of NWT adults (aged 25–64) did not have a high school diploma or equivalent. This is double the rate for this group in Canada as a whole (11.6 per cent), and it is even higher among NWT men (29 per cent).

A particular challenge for the NWT's labour market is poor Internet access, which hinders access to remote work. A significant majority of the population (85 per cent) agree that Internet access is important to reducing poverty, compared to 72 per cent nationally. Without access to high-speed Internet, people living in the NWT may struggle to access economic opportunities elsewhere in the country. This type of access is vital in small communities where employment opportunities can be limited.

For people who are unable to find work, social assistance rates are not enough to help them make ends meet. Almost half of the population (49 per cent) think it is really important to see an increase in last-resort benefits. This figure is nearly 15 percentage points higher than the national average.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

THE COST OF LIVING AND AFFORDABLE HOUSING

As with other variables, data is not readily or consistently available at the territorial level to allow for a robust assessment of certain essentials such as food and shelter. The following is a short summary of what we do know.

Between December 2022 and December 2023, the overall price of goods and services in Yellowknife increased by 3 per cent, which was slightly slower than in Canada as a whole (3.4 per cent), according to the Consumer Price Index.

Yellowknife, at 7.7 per cent, had the highest increase in food costs in Canada. In addition, the cost of food in Northern communities remains significantly higher than in the rest of Canada because of the overall higher costs of living in remote and isolated areas, coupled with the high costs of shipping and storing perishable and nutritious food. Overall food insecurity in the NWT remains high. One particular aspect of the experience of food insecurity in the territories is the need to access traditional foods. In the NWT, 84 per cent of people say that increasing access to traditional foods is important to them.

Furthermore, the cost of shelter increased by 5 per cent in Yellowknife, which is slightly lower than the increase in shelter costs in Canada as a whole (6 per cent). As with Nunavut, the primary housing problem in the NWT is twofold: a lack of suitable housing and housing that is too expensive. Approximately 13 per cent of households in the NWT were considered in core housing need in 2021, and the proportion of those who find themselves in this situation because the housing structure is inadequate as opposed to unaffordable is deeply concerning. It is therefore unsurprising that 94 per cent of people in the NWT say that improving infrastructure in their communities is important to them. Despite the known issue of inadequate housing in the territory, 2 in 3 residents (the highest rate in the country) report spending 30 per cent or more of their income on housing.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Rather than presenting a full annual budget this year, the NWT government instead tabled an interim budget that covered the year's first quarter to give the Legislative Assembly additional time to complete its transition and set priorities.

As noted above, housing and food costs remain two of the most prevalent public policy challenges facing the territory. Compared to Nunavut, which has developed a long-term plan to replenish its housing stock with as many as 3,000 units by the close of the decade, progress in the NWT has been slow and less strategic. ***One hundred new units are currently being built***, but this is the first expansion of public housing in decades.

As with Nunavut and the Yukon, the ***NWT does not have rent control and there is no cap on annual allowable rent increases***, although renters are protected from eviction for a certain period. The Yukon is in the process of ending no-fault eviction and undertaking a comprehensive review of tenant protections. The NWT should consider adopting its own comprehensive policy framework to protect renters. This must be paired with a significant emphasis on how to replenish, renew, and expand affordable housing, particularly in the rental market.

Although the NWT has significant economic potential, its short- to medium-term outlook is not bright. Economic growth is stagnating and several key industries—in particular, diamond mines—***are maturing and may soon reduce or close production***. The NWT has benefited traditionally from high employment and wage growth, but it has limited sources of new investment. This is compounded by a ***commitment by the Premier to reduce spending***, indicating that the government is prioritizing improving fiscal sustainability rather than making significant new investments in infrastructure capacity or future economic development.

While resource projects often experience cycles of boom and bust, they are important anchor institutions that can boost local economic activity and provide well-paying jobs for residents who might otherwise be at risk of falling into poverty. There is an urgent need for the territorial and federal governments to work together to promote coordinated long-term investments in strategic industries that will help unlock new opportunities and growth, both public and private.

As previously noted, the NWT, like the other territories, is experiencing critical housing, broadband, and local food production gaps. These gaps have not been meaningfully addressed in the last year, with the exception of the housing gap—***$4.3 billion in additional federal support*** was committed to urban, rural, and northern priorities for Indigenous housing providers. A portion of this funding is likely to support new investment in the NWT, although the exact figure has yet to be announced.

The precarity of broadband access was underscored earlier this year when many NWT communities, including nearly all of Yellowknife, ***lost Internet access for hours after Northwestel's fibre-optic links were severed***. Although satellite service was uninterrupted, the incident underscored the critical need to close the gap in access to high-speed Internet across the territory, where the proportion of residents without such services is ***more than five times the national average***.

NORTHWEST TERRITORIES

OVERALL GRADE

In last year's report we recommended the territory increase its minimum wage. This was partly fulfilled last fall, when ***the NWT announced its first minimum wage hike in years***, from $15.20 per hour to $16.05 per hour. However, this is still significantly less generous than its neighbours' minimum wages. The minimum wage is $17.59 in the Yukon and $17.59 in Nunavut.

In terms of the adequacy of income support, the NWT has ***one of the most generous welfare programs in the North***. Although the territory has indicated a desire to limit spending in the near future, the 2024 interim budget includes a commitment to a ***one-time top-up to income assistance*** in light of ongoing inflation and affordability concerns. This will provide between $350 and about $720 in additional assistance this year, primarily to help with high food costs.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

POLICY RECOMMENDATIONS

DECENT WORK THAT PAYS

1. Raise the minimum wage to at least match the Yukon's minimum wage, then index it going forward.

NO PROGRESS

The NWT's minimum wage was recently increased to $16.05, the first increase in more than two years. While this helps to offset some of the recent inflation pressures, there is a need to provide greater support, particularly as affordability concerns remain high.

2. Review community benefits associated with major infrastructure and mining projects.

NO PROGRESS

With the resurgence of global commodity prices and the increased interest in Canadian mining, along with new investments in northern defence infrastructure, the NWT is well positioned to be a key partner in these sectors. It is important that all residents benefit equitably from these projects. We recommend the territory increase its focus on securing jobs, long-term training, apprenticeships, and community benefit investments that will all help to provide greater employment and economic opportunities for residents with low incomes.

COST OF LIVING

3. Enhance Income Assistance, the NWT Child Benefit, and all other benefit payments by 15 per cent over the next three years, then index them to inflation moving forward.

NO PROGRESS

Given the surge in inflation experienced since 2021, the lack of indexing has forced the territory to intervene with temporary help rather than having an automatic stabilizer to assist residents in times of need.

AFFORDABLE HOUSING

4. Adopt a rent control policy that sets a cap on rent increases and the conditions for surpassing the cap if significant repairs and maintenance are required.

NO PROGRESS

Given the broad introduction of the Canada–NWT Housing Benefit rent supplement program, which to date has no active waiting list, there is an opportunity for the territory to take further steps to protect renters.

5. Develop a formal municipal matching fund for rental construction and repair.

NO PROGRESS

Using the Yukon's successful municipal rental construction fund as a model, the NWT should examine the creation of a municipal/territorial grant matching model that will assist the developers of purpose-built rental construction. It could be developed with a small pool of capital funding to begin with and scaled over time as dedicated funding is established.

NORTHWEST TERRITORIES

INC

OVERALL GRADE

COMMUNITY INFRASTRUCTURE

6. Work in partnership with the federal government to reduce the gaps in housing, broadband, and local food production.

NO PROGRESS

The territorial government should collaborate with the Government of Canada to develop a long-term capital plan that aims to reduce the gaps between the NWT and the provinces. As part of the NWT's focus on housing, both the territory and the federal government should take inspiration from Nunavut's recent plan to build up to 3,000 units of housing by the end of 2030.

7. Vision for economic growth and prosperity.

NEW POLICY

With many major employers, including several large diamond mines, nearing the end of their production cycle, the territory and the federal government must work together to develop a long-term, comprehensive plan for economic growth that will ensure good jobs for low- and mid-skilled workers. At the core of this plan must be a commitment to develop a social and community infrastructure that will enable effective long-term development.

Food Banks Canada

Banques alimentaires Canada

NUNAVUT

2024

NUNAVUT

INC

OVERALL GRADE

INC

SECTION 1 GRADE

EXPERIENCE OF POVERTY

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
People Feeling Worse off Compared to Last Year	5.9%	INC	INC
People Paying More than 30% of Income on Housing	55.9%	INC	INC
People Having Trouble Accessing Healthcare	16.7%	INC	INC
Government Support Recipients Who Say Rates are Insufficient to Keep up with Cost of Living	37.9%	INC	INC
Percent of Income Spent on Fixed Costs beyond Housing	69.5%	INC	INC

INC

SECTION 2 GRADE

POVERTY MEASURES

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Poverty Rate (MBM)	21.3%	N/A	F
Unemployment Rate	8.7%	F	F
Food Insecurity Rate	49.5%	N/A	F

INC

SECTION 3 GRADE

MATERIAL DEPRIVATION

INDICATOR TITLE	DATA	2024 GRADE
Severely Inadequate Standard of Living	2.9%	INC
Inadequate Standard of Living	7.8%	INC

D

SECTION 4 GRADE

LEGISLATIVE PROGRESS

INDICATOR TITLE	DATA	2024 GRADE	2023 GRADE
Legislative Progress	N/A	D	C

NUNAVUT

INC

OVERALL GRADE

CONTEXT

With the highest poverty rate in the country, and a population that is both geographically isolated and largely Indigenous, Nunavut is unique in both its poverty landscape and demographics. Despite the territory's limited financials, the Nunavut government has taken some strong steps this year to address the challenges it faces. This year has also been historic; through the signing of the Nunavut Lands and Resources Devolution Agreement with Canada, Nunavut has taken a momentous step toward self-determination.

REPORT CARD SECTION 1: EXPERIENCE OF POVERTY

Last year, Food Banks Canada was unable to confidently assign the territories a grade because of limited sample sizes. Results across the territories were consolidated, which meant we could not accurately address each territory individually.

Data collection is an ongoing problem for poverty reduction efforts in the North. Without the capacity to collect regular, reliable, and representative data about the experiences of people who live in these communities, it will be difficult, if not impossible, to introduce effective policy solutions.

In an effort to improve the quality of our data this year, we expanded our polling in the North through the addition of phone-based surveys and achieved a larger sample size. While this larger sample size allows for a higher degree of confidence in our analyses, the results still may not accurately represent the circumstances of all communities in the North for a variety of reasons:

- Many residents in the territories live in small communities that are spread out across a vast geographical area. Community experiences vary substantially, which means that statisticians must *survey a much larger proportion of the population* to achieve a representative sample.
- Many First Nations people have *expressed distrust of government data collection* because of historical and ongoing injustices, and therefore may be less likely to respond to polling. It is possible that these feelings of distrust are also held more broadly by Indigenous Peoples, who make up *a large portion of the population of the territories*.
- The territories have the *lowest rate of high-speed Internet access* in the country. Only 63.1 per cent and 67.4 per cent of residents in the Yukon and the Northwest Territories (NWT), respectively, have access to high-speed Internet, compared to 93.5 per cent of Canadians overall. In Nunavut, no residents have access to high-speed Internet.

It is therefore very likely that those who are most vulnerable to poverty, including Indigenous people and isolated communities, were unable to respond to our poll.

NUNAVUT

INC

OVERALL GRADE

REPORT CARD SECTION 2: POVERTY MEASURES

The data provided in this section represent the most current data available for this jurisdiction. Although we make every effort to present updates to our data each year, it's important to note that information related to the territories is often released after provincial data. As a result, Food Banks Canada was not able to update the indicators related to food insecurity, poverty, and social assistance adequacy in this year's report card.

Unfortunately, the Poverty Rate in Nunavut was more than double that of the next most impoverished province or territory in 2023. The same was true for the food insecurity rate. In 2024, Nunavut's unemployment rate of 8.7 per cent also remained among the highest in the country, trailing only Newfoundland (10.1 per cent).

Changes to poverty and food insecurity rates will likely be helped by improvements to the incomes of all residents, including measures that focus on helping cover the higher cost of living associated with the North.

REPORT CARD SECTION 3: MATERIAL DEPRIVATION

See the section 1 context description. As the Material Deprivation Index is sourced from the same survey as section 1 results, we cannot reliably comment on the data as it may not reflect the real-life circumstances of many people living in the region.

REPORT CARD SECTION 4: LEGISLATIVE PROGRESS

Nunavut has limited resources and a small population spread across a vast area. It also grapples with the ongoing disruption to traditional lifestyles inflicted by colonialism. These issues contribute to the significant challenges regarding poverty and food insecurity that the territory is experiencing. Despite these hurdles, however, Nunavut has taken some significant strides forward.

Key Actions:

- Helped people struggling with the rising costs of living by ***increasing the minimum wage*** and introducing a temporary ***carbon tax exemption*** on heating fuel and also a ***fuel rebate*** for homeowners (which is being offered again in 2024).
- Launched a three-year ***Early Learning and Child Care Action Plan*** to address affordability, access, inclusion, and quality.
- ***Signed the Nunavut Lands and Resources Devolution Agreement*** with the federal government, which represented a large step toward self-determination.

The territory has had a strong and historic year. On January 18, 2024, the Government of Nunavut, Nunavut Tunngavik Incorporated, and the Government of Canada signed the Nunavut Lands and Resources Devolution Agreement, marking a momentous step toward self-determination for Nunavummiut. Nunavut gained decision-making authority over land administration, resource management, and water rights, paving the way for economic development and prosperity across the territory for future generations. To help ease the transition, the two governments launched Inunnguqsaivik: Learning for a Purpose. This initiative will provide education and training to help ensure Nunavut Inuit have the skills and knowledge required to manage the stewardship of Nunavut's resources.

NUNAVUT

INC

OVERALL GRADE

Working in partnership with the federal government, Nunavut has acted to improve health care, childcare, and Internet access. These actions, in combination with a higher minimum wage, should make a large difference to the territory's residents.

Nunavut also brought back the fuel subsidy for homeowners, which should provide welcome relief. However, this same support is not extended to renters. This is particularly concerning as renting is also inordinately expensive in the territory—a household needs an annual income of $102,200 to afford to rent a one-bedroom home. The territorial government, like provincial and territorial governments in the rest of the country, must put much more focus on supporting renters now while also increasing the supply of housing to make lasting improvements to affordability.

For the above reasons, Nunavut received a D for this section. While the government has taken a few significant steps to address poverty, including raising the minimum wage, it has failed to pass legislation that substantially addresses key drivers of poverty—in particular, housing. If this trend continues, it will likely result in stagnating or worsening conditions for residents.

NUNAVUT

INC

OVERALL GRADE

CONTRIBUTING FACTORS

POVERTY OVERVIEW

Nunavut is the poorest, most remote jurisdiction in Canada. More than 1 in 3 residents (34.9%) live in poverty. It is also the jurisdiction with the highest costs of living. The territory's capital, Iqaluit, is the most expensive location in Canada—residents need ***nearly $120,000 per year to cover the most common living needs.***

While the territory is rich in ***potential resource wealth*** and is geo-strategically located at the foot of Arctic shipping lanes, few residents of Nunavut have enjoyed the economic advantages that these factors might promise.

People in Nunavut largely agree that better infrastructure, more Internet access, and more mental health and addictions supports are some of the most important issues relating to poverty reduction.

As part of the federal poverty reduction strategy, Statistics Canada was directed to ***construct a Northern-specific market basket measure (MBM-N) of poverty*** so as to better represent the needs and costs of living in the North. The MBM-N was applied to the 2021 census, but Statistics Canada has not yet released backward-adjusted data series for comparisons to earlier periods. Any comparison between the degrees of poverty reduction over time is therefore limited.

MORE THAN 1 IN 3
Nunavut residents live in poverty – the highest rate in Canada

92%
feel that upskilling and training workers would help toward reducing poverty

NEARLY $120K
is required per year in Iqaluit to cover the most common living needs

54%
of lone parents in the territory live in poverty – an unequalled rate in the country

Children and youth account for almost half of the population in Nunavut, a higher proportion than in any other province or territory. Of those, 38 per cent are children (under 18) and 11 per cent are youth (18–24 years). Overall, nearly 1 in 2 (43.5%) children live in poverty, which is a staggering figure by any standard.

The senior population held steady at 4 per cent between the 2016 and 2021 censuses. Poverty rates for this group are exceptionally high compared to the national average—about 1 in 4 seniors (26%) are living in poverty.

NUNAVUT

INC

OVERALL GRADE

COMPARISON WITH OTHER TERRITORIES

The poverty rates among families and individuals differ greatly among the three territories. For example, in the Yukon, the overall poverty rates are similar to rates in Canada as a whole for both people who live alone and people who live as a couple. One exception to this is the poverty rate among lone parents, which is slightly lower than the national rate. In the NWT, however, poverty rates among couples and lone parents and those living alone are slightly higher than they are in Canada as a whole. In Nunavut, poverty rates were higher overall than the Canadian average, with significantly higher rates among lone parents, lone individuals, and nearly every other demographic group. Poverty rates are particularly high among lone parents in Nunavut—more than half (54.%) of lone parents live in poverty in Nunavut, which is unprecedented in any other context in Canada.

TABLE 1. POVERTY RATE FOR SELECT GROUPS BY CANADA AND THE TERRITORIES (%), 2021 CENSUS)[1]

SELECT GROUPS	CANADA	YUKON	NWT	NUNAVUT
All residents	8.1	8.6	11.1	34.9
Couples with children	4.0	3.7	6.6	31
Couples without children	3.9	4.0	5.0	9.5
Lone parents	14.1	14.0	22.4	54.7
Lone mothers	19.7	14.2	23.1	55.4
Single people without children	21.5	20.7	22.1	39.3

Although the overall poverty rate among seniors in Nunavut (26%) is lower than the territorial average (34.9), seniors who live alone face greater hardship. Nearly 1 in 2 seniors who live alone (45.7%) live in poverty. This suggests that although seniors generally benefit from the federal retirement income system—for example, OAS and GIS, among other supports—the supports do not go very far in Nunavut where costs are particularly high for everyone, especially if you do not have a cohabitant to share them with.

[1]Note that the Canada-wide rate reports poverty on the basis of the national MBM, while the results for the territories use the Northern-specific MBM (MBM-N). If the MBM-N were applied as a concept to the rest of Canada, overall rates of poverty nationally would be higher because of the higher level of income that is assumed to be needed to pay for certain essentials.

NUNAVUT

INC

OVERALL GRADE

POVERTY AND INEQUALITY IN YUKON

Unfortunately, the small sample sizes mean that Statistics Canada does not report poverty rates that allow for disaggregated analysis in the territories by Indigenous or racial identity, or by immigration status. However, knowing that these demographics generally experience higher rates of poverty across Canada—as seen, for example, in the data for the provinces—we can assume that Nunavut is similar and that it must provide additional support for groups that have a disproportionate experience of poverty.

Nunavut is the traditional home of over 40 per cent of Inuit people in Canada, and the latest census reported that ***nearly 85.7% per cent of Nunavut residents have some form of Indigenous identity***.

According to the last census in 2021, immigrants represented just 3 per cent of Nunavut's population. One-fifth of them are recent immigrants who arrived in Canada between 2016 and 2021.

Inuit people, who make up the majority of Nunavut's population, have historically been marginalized, which has had a lasting impact on communities. This is reflected in the fact that 87 per cent of people who live in Nunavut believe that tackling racial and ethnic inequality is an important part of addressing poverty; across Canada, by comparison, 71 per cent say the same. Similarly, 91 per cent of residents say that providing regular and reliable supports to Indigenous people is important. While programs to help do exist, they are generally supported by sporadic funding, which makes long-term change difficult to achieve.

LABOUR AND EDUCATION

As of March 2024, the unemployment rate in Nunavut was 8.7 per cent, which is slightly lower than a year ago (-0.3 percentage points) but much higher than the national average of 6.1 per cent. The percentage of people participating in the workforce was also significantly lower in Nunavut (60.2%), compared to Canada as a whole (65.3%) as of March 2024.

Youth aged 15–29 who are not in employment, education, or training (NEET) are at particular risk of poverty. In 2022, more than one-third (36%) of youth in Nunavut were in this situation—more than triple the rate in Canada as a whole (11.6%). Among Nunavut adults aged 25–64, more than half did not have a high school diploma or equivalent, which is significantly higher than the rate for this group in Canada as a whole (11.6%).

The lack of higher education among the local population presents a significant barrier to equitable growth. In our national survey, 92 per cent of respondents in Nunavut said that upskilling and training workers would be an important step toward reducing poverty. If residents do not receive training, there is a greater risk that outside workers will be flown in to work on future mining and infrastructure projects in the territory.

Wages are also a significant concern for many residents—91 per cent say that increasing the minimum wage is important to them, which is 11 percentage points above the national average for this indicator and the highest rate in Canada.

NUNAVUT

OVERALL GRADE

Access to childcare is also a particular challenge in Nunavut. The rates of access to childcare in both the Yukon and NWT are comparable to, or in some cases higher than, the national average, but ***access rates in Nunavut are low***. Only about 1 in 3 families currently have their children in childcare; this represents a drop of about 5 percentage points (nearly 20%) compared to before the COVID-19 pandemic.

Another major barrier to employment, particularly in a region as remote as Nunavut, is the lack of consistent and affordable access to broadband Internet. To date, ***no residents across the territory*** have access to broadband. Instead, residents rely on satellite services, which are much more expensive and less reliable. Ninety-five per cent of the population say that Internet access is an important part of poverty reduction. A ***public-private internet partnership is currently in various stages of development*** and will develop a formal fibre optic connection between several Nunavut communities and the rest of Canada.

THE COST OF LIVING AND AFFORDABLE HOUSING

As with other variables, data is not consistently or readily available at the territorial level to allow for a robust assessment of certain essentials such as food and shelter. The following is a short summary of what we do know.

Between December 2022 and December 2023, the overall price of goods and services in Iqaluit increased by 2.5 per cent, which was slightly lower than in Canada overall (3.4%), according to the Consumer Price Index (CPI). The CPI does not report at a territorial level to break down the sub-index for food and shelter costs.

Core housing need, a measure that identifies which households are living in housing that is inadequate or insufficient and unaffordable, is experienced differently in Nunavut, compared to most communities elsewhere in Canada. In much of the country, affordability is the prime concern, whereas in Nunavut residents are more likely to be in core housing need due to inadequate housing. Thanks to a variety of subsidies, fewer than 10 per cent of households in Nunavut are paying too much for their housing (about 6% overall, ranging to as high as 13.7% among those in social housing), but about ***1 in 3 are living in sub-standard accommodations***. Among households that are renting in the private market, 39.1 per cent are living in sub-standard accommodations. However, respondents to our poll in Nunavut indicated that housing affordability is indeed a major concern for many, with 55.9% of respondents saying they spent 30 per cent or more of their income on housing costs.

With the increased costs of living in Nunavut and a lack of economic opportunity, social supports are key to a decent quality of life for many people. As such, 94 per cent of the population believe that increasing the allocation of last-resort benefits is important (compared to 76% nationally). Community supports are seen as equally important, with 91 per cent of Nunavut residents saying they would like to see increased funding for community and social services.

NUNAVUT

INC

OVERALL GRADE

POLITICAL AND POLICY LANDSCAPE

Nunavut has immense infrastructure, housing, and community needs, but unlike more affluent parts of Northern Canada, it lacks the underlying wealth or income sources necessary to meet these needs unassisted. The territorial government announced decisive steps to target the territory's needs in its recently tabled 2024 budget, and while Nunavut is the only territory running a ***modest deficit***, the proposed investments will help poverty reduction efforts.

The major policy and infrastructure priority for Nunavut is Nunavut 3,000, a bold ***$2.6 billion public-private partnership to build 3,000 new units of housing*** across the territory by 2030. This new housing would help to both accommodate a fast-growing population and support current residents—many of whom are underhoused or living in overcrowded conditions—while also replacing a significant amount of the housing stock, much of which is in need of substantial renovation. At time of writing, more than ***300 units are under construction or in the contracting phase***. Although the timeline may need to be extended, significant progress has been made thanks to the partnership between all levels of government and the private sector.

To grow, Nunavut could establish active and stronger partnerships with industry and the federal government. The recently released ***defence policy update*** (DPU) points to Arctic sovereignty as arguably the top national security and defence priority for Canada. For actions detailed in the policy to have a meaningful impact, the federal government must be a real and active partner in supporting community and infrastructure development throughout Northern Canada, particularly in Nunavut given its strategic proximity to major international shipping channels. This political situation presents an important opportunity for increased federal investment, but it must be accompanied by related commitments from federal and territorial governments to ensure that locals benefit both socially and economically.

Similar opportunities also exist with respect to the federal government's objective to position Canada as a world leader in critical minerals. To date, the ***federal strategy*** references the opportunity and acknowledges the need to develop local training and skills capacity to realize potential projects but no funding has been announced. The federal government may soon announce more tangible investments as part of its Sustainable Jobs Training Centre initiative. It is expected that the initiative will soon include funding for economic activities in northern communities.

While Nunavut raised its minimum wage to $19 per hour and its income supports early in 2024, these increases came after long periods of stagnation. Rather than sudden, large increases, more predictable and consistent income increases would go a long way toward protecting the poorest population in Canada from the highest costs of living.

NUNAVUT

INC

OVERALL GRADE

POLICY RECOMMENDATIONS

COSTS OF LIVING

1. **Convert the Senior Fuels Subsidy and Homeowner Fuel Rebate into a universal energy-consumption rebate for households with low and modest incomes.**

NEW POLICY

Nunavut has among the highest home-heating costs in the country. The Senior Fuel Subsidy and Nunavut Homeowner Fuel Rebate both offer support to offset the high cost of heating fuel in the territory. Although Nunavut provides an offset for carbon pricing itself, there is no broad-based support available to help people who rent or working-aged people with low incomes with the costs of heating their homes. The territory does provide a wholesale-level subsidy to reduce electricity costs, but rates are still about four times more expensive than in Ontario.

2. **Index the child benefit and increase it to offset recent inflation increases.**

NO PROGRESS

While the child benefit provides much-needed support for families, it is not indexed, and so its value in real terms has declined throughout its existence.

COMMUNITY INFRASTRUCTURE

3. **Create a new long-term plan to address critical infrastructure gaps in affordable housing, clean energy, food production, and broadband access.**

NO PROGRESS

Given the significant infrastructure gaps in affordable housing, clean energy, food production, and broadband access—combined with the territory's limited fiscal resources—coordinated federal support will be required to make meaningful progress on these various priorities.

The territory must work in concert with Inuit and Indigenous government partners to introduce a comprehensive, long-term infrastructure plan with a set of actionable initiatives and a delivery plan that includes clear timelines. This plan should be centred on a common goal of bringing the state of infrastructure in each of these areas up to the national standard within the next decade not only in Nunavut and but also as part of a coordinated plan across all the Northern territories.

NUNAVUT

INC

OVERALL GRADE

FEDERAL PARTNERSHIPS

4. Develop a 2030 reinvestment plan that focuses on health and wellness in partnership with the federal government.

NEW**POLICY**

This plan should focus on the following priorities:

a. Enhancing the CCB and Nunavut's territorial child benefit to bring the territory's exceptionally high child poverty rate down to the national average. This could include piloting a Northern top-up to the CCB that could be deployed more widely across other regions.

b. Expanding childcare spaces to close infrastructure and workforce gaps and ensure that Nunavut residents benefit from the same access to affordable childcare spaces that residents of the Yukon and NWT do.

c. Developing a local trades education model that targets residents with a high school education or less. This will help ensure that future critical minerals and defence infrastructure projects are well positioned to succeed while benefitting the local populations.

POVERTY AND INEQUALITY IN CANADA

INTRODUCTION

Poverty is a multifaceted phenomenon stemming from systemic and structural injustices deeply rooted in colonialism, racism, sexism, ableism, and other forms of oppression throughout history. Structural injustice occurs when social processes, including legal, social, and cultural norms, systematically threaten certain groups' capacity to develop and exercise their capabilities while enabling others, primarily more privileged individuals, to dominate and enjoy a wide range of opportunities. In Canada, interconnected systems and structures create barriers preventing underserved groups from accessing political participation and socio-economic opportunities such as employment, housing, food, education, healthcare, and childcare.

In general, poverty disproportionately affects systematically marginalized groups facing high levels of discrimination, racism, and stigma. The ***National Advisory Council on Poverty*** identifies these marginalized groups as including Indigenous people; immigrants; refugees; individuals who identify as members of ethno-cultural groups, Black and other racialized communities; 2SLGBTQIA+ people; persons with disabilities; people experiencing homelessness; children and youth in care; people living in institutions; and people living in remote areas. However, their marginalization extends beyond socio-economic exclusion to invisibility within society, evident in the lack of representation in official poverty statistics. Indigenous people living on reserves and settlements, 2SLGBTQIA+ individuals, asylum seekers, refugees, and the homeless face significant data gaps, reflecting their unique socio-economic isolation and deprivation. This lack of data hinders efforts to accurately depict and address the lived realities of these marginalized groups in Canada.

POVERTY AND INEQUALITY IN CANADA

POVERTY SNAPSHOT

Despite poverty's downward trend in the last 10 years, it continues to affect certain groups more severely than others. Generally, these are groups that have been marginalized and overlooked due to deeply embedded systemic and structural barriers that are rooted in racism and discrimination, homophobia and sexism, ableism, colonialism, and violence. While a more detailed analysis of key indicators of poverty among these undeserved and overlooked groups follow, it is helpful to offer a quick overview or snapshot of how poverty disproportionately affects them.

INDIGENEITY

Colonial policies and practices have instigated and perpetuated inequities, leading to a disproportionately high prevalence of poverty among Indigenous peoples. According to 2021 census data, the poverty rate for First Nations people living off reserve was 14.1 per cent, twice as high as that of non-Indigenous people (7.4 per cent). Metis and Inuit people had slightly lower rates at 9.2 per cent and 10.2 per cent, respectively.

Yet, it is important to acknowledge that these figures present a somewhat misleading picture, as they do not account for poverty rates among Indigenous people living on reserves and settlements. Considering the significance and complexity of the Indigenous experience in Canada, this report will feature a dedicated section on Indigeneity and the key indicators of poverty.

RACIALIZED PEOPLE

In 2021, 7.4 per cent of the population lived below the poverty line. However, the rate for racialized people, who represent 25 per cent of the Canadian population, was much higher. To illustrate, 19 per cent of Korean Canadians lived in poverty in 2021. This high poverty rate was closely followed by Chinese Canadians (15.3 per cent), Black Canadians (12.4 per cent), and South Asian Canadians (10.8 per cent).

Shedding light on racialized poverty and its persistence, a study *"Poverty among racialized groups across generations"* reveals that racialized groups consistently have higher poverty rates than White people. While poverty rates tend to be higher among first-generation Canadians and then diminish among second and third-generation Canadians, this general trend does not apply to all racialized groups. For example, the poverty rate gap for Latin American and Black Canadians increases to more than double by the third generation. Similarly, Arab, Southeast Asian, and Korean people have higher poverty rates than White people in the third generation.

POVERTY AND INEQUALITY IN CANADA

SEX AND GENDER

Women can be disproportionately impacted by poverty, especially those who are lone-parents with young children. The vast majority of lone-parent households (*upwards of 80 per cent*,) are headed by women, and they experience significantly higher rates of poverty than other families with children. According to data from the 2021 census, *nearly 1 in 3 (31.3 per cent)* lone parent households lived in poverty. This phenomenon, known as the feminization of poverty, reflects the deep-seated cultural, social, and structural factors that contribute to women's economic disadvantage. This is particularly true for women who become mothers and face a maternity penalty upon their return to work. Working mothers report feeling sidelined and overwhelmed, with as many as *1 in 3 contemplating leaving their jobs* due to insufficient support reintegrating into the workforce after returning from leave. Women and girls face systemic barriers that impede their full participation in, and benefit from, the economy, which is rooted in sexism, gender bias, and discrimination. These barriers limit their access to opportunities and resources, perpetuating their vulnerability to poverty.

Transgender and non-binary people are also more likely to experience poverty. Based on the latest census data, the poverty rate for transgender women and men was 12.0 per cent and 12.9 per cent, respectively. Cisgender women and men, by comparison, experience poverty at a much lower rate at 7.9 per cent for women and 8.2 per cent for men. Non-binary people are most severely affected with a poverty rate of 20.6 per cent. Transgender and non-binary young adults are particularly impacted, with a poverty rate of 19.3 per cent for transgender people aged 18 to 24 and 32.5 per cent for Non-binary people in the same age group.

Overall, existing research shows that members of the 2SLGTQIA+ community experience "*profound material disparities and suffer significant social and health inequities*." There is evidence that 2SLGTQIA+ youth, older sexual and gender minorities, and two-spirited people are most vulnerable to poverty. For example, *surveys* (see also *here*) on homelessness have revealed that 2SLGBTQIA+ youth are one of the most overrepresented homeless populations. Yet, despite these important points of data, quantitative and qualitative studies on 2SLGTQIA+ poverty remains scant.

DISABILITY

The *2022 Canadian Survey on Disability* reported that 27 per cent of Canadians aged 15 years and older (approximately 8 million people) have one or more disabilities that limit them in their daily activities. The most recent *report on poverty and disability* reveals that people with disabilities are twice as likely to live in poverty compared to people without disabilities (16.5 per cent compared to 8.6 per cent). Even though disability is present across all population groups, women are more likely to report having a disability and these women are overly represented among the poor. In 2021, 17.6 per cent of women with disabilities were poor compared to 15.1 per cent of men with disabilities. In addition to the overrepresentation of women with disabilities in data on poverty, seniors with disabilities (all persons aged 65+) are also severely affected by high poverty rates (20 per cent), quadruple the rate for seniors without a disability (4.7 per cent).

POVERTY AND INEQUALITY IN CANADA

Further, just 59 per cent of people with disabilities are employed compared to 80 per cent of people without disabilities. People with disabilities who are employed are more likely to work in lower-skilled jobs, creating an income gap, such that Canadians aged 25–54 years without disabilities have 40 per cent higher incomes (or $19,000 per year more) than peers with disabilities, with the premium widening to 70 per cent (or $27,000 per year) by ages 55–65 years. Difficulties finding and maintaining gainful employment often stem from attitudinal barriers in the workplace that fail to appropriately accommodate people with disabilities, or an unwillingness to remove barriers to allow employees to work at their full potential.

In addition to attitudinal challenges in securing meaningful employment, marginalized populations also encounter shortcomings in social service support programs meant to address systemic inequities. Most income support programs designed to support people with disabilities, like many provincial disability assistance programs, use all-source income calculations to determine eligibility. While the actual funding calculation is designed to fill the gap in living expenses for someone with a disability, these calculations often require persons with a disability to have an income below the poverty line. In addition, ***no provincial government*** provides disability support at a level that meets the poverty line in that province. This all but guarantees that a person relying on disability support will continue to experience poverty.

Additionally, many people with disabilities struggle with costs associated with living with a disability. Costs related to accessible housing, medical expenses (equipment, prescriptions, supplements, practitioner fees, etc.) and disability supports that are not government-funded further drive people with disabilities toward the poverty line for mere survival. In many cases, these expenses are needed to overcome accessibility challenges in the environment. For example, paying service fees for curbside pickup or delivery because the building itself is not accessible for someone to enter and make a purchase directly.

AGE

According to ***UNICEF Canada's most recent report***, child poverty rose from 4.7 per cent in 2020 to 6.4 per cent in 2021, representing an increase that was greater than that of the general population. However, as discussed below, there are significant disparities among the population of children affected by poverty. As is the case in most other population groups, child poverty is affected by intersecting factors such as race, gender, and ableism.

Putting it in concrete numbers, 37.4 per cent of on-reserve First Nations children, 24 per cent of off-reserve First Nations children, 19.4 per cent of Inuit children, 15.2 per cent of Metis children, 18.6 per cent of Black children, and 15.2 per cent of racialized children live in poverty.[1] Children who belong to the 2SLGBTQIA+ community, live in lone-parent households, and have a disability are also at greater risk of poverty.

[1]Calculated using LIM-60 instead of MBM.

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The poverty rate for those in their core working years, aged 25 - 54, was 7.9 per cent, but as individuals move towards retirement a higher proportion experience financial hardship. The poverty rate begins to rise as individuals hit their late 50s, peaking at 10.1 per cent for those aged 64, before dropping substantially at 66. Seniors by comparison have the lowest rate of poverty among all age groups, at 4.7 per cent, reflecting the strong impact of supports available to people in retirement, including the CPP, OAS and GIS.

The disproportionately low rates of poverty among seniors show the effectiveness of government transfers to support people to maintain an above poverty standard of living. However, this data contains a range of experiences and not all seniors experience financial security. Seniors living alone experienced poverty at more than *5 times the rate* experienced by those living with family (13.3 per cent compared to 2.4 per cent)

POVERTY SNAPSHOT CONCLUSION

This snapshot highlights that groups that have been made marginal are disproportionately vulnerable to poverty. Not only do these vulnerable groups have a statistically higher probability of entering poverty but they are also less likely to leave it. Numerous interrelated systems and structures rooted in a history of oppression and domination function to adversely impact marginalized groups, thereby creating and perpetuating inequity and injustice.

INDICATORS OF POVERTY

In assessing poverty within Canadian society, it is imperative to examine key indicators that reflect the standard of living and well-being of individuals. These indicators encompass various facets, including healthcare access, education, income and employment, housing, environment, safety and security, and social inclusion.

Understanding these indicators offers insights into the challenges individuals face in accessing basic necessities, such as housing, food, and income security, and underscores the importance of targeted interventions to alleviate poverty and promote economic inclusion. This section focuses on three measures of quality of life and poverty: income, housing, and food security, and examines how these factors disproportionately impact marginalized groups.

INCOME

1. RACE

According to a governmental analysis on poverty in Canada, racialized people continue to face systemic barriers rooted in racism and discrimination that make them more vulnerable to low and/or lower income. In 2021, for example, the median after-tax income for racialized persons was $36,800 compared to median after-tax income of $43,100 for persons that are not racialized, representing an average gap of $6,300. While Latin American, Filipino, and Black people had the highest income among racialized population groups, Chinese ($33,700), Arab ($33,100), and South Asian ($33,200) had the lowest after-tax median income.

Statistics Canada reports that racialized people earn a lower income at the beginning of their careers and are less likely to have a unionized job and benefit from pension coverage. Our population survey this year equally found that more than half (54 per cent) of the racialized population in Canada agreed that low wages are affecting their ability to make ends meet. This rate is concerningly 21 percentage points higher than non-racialized Canadians (33 per cent).

2. SEX AND GENDER

In Canada, women often earn less money than men due to a combination of systemic factors including gender discrimination, occupational segregation, and unequal opportunities for career advancement. This discrepancy, often referred to as the gender wage gap, directly impacts women's incomes, resulting in lower lifetime earnings, reduced financial security, and limited opportunities for wealth accumulation and economic independence. To illustrate, *2021 census data* show that 11.4 per cent of women have a low income as opposed to 9.4 per cent of men. While this gap may not appear significant, *additional data* indicates that, in 2021, the average annual employment income for Canadian *women stood at $43,200*, whereas *men earned $59,200* annually, reflecting a $16,000 disparity between the genders. Furthermore, research on the labour force participation of women suggests that women are overrepresented in part-time employment and underrepresented in high-demand jobs such as skilled and high-paying occupation (i.e., science, technology, engineering, etc.). They are also overrepresented in healthcare, education, accommodation, and food services. This concentration in low-wage service sectors, which in the last decade have seen *negative wage growth*, increases their risk of poverty and economic instability due to lower income and income insecurity.

However, income inequality does not affect all women equally. Disparities exist and persist between different population groups of women. Indigenous and immigrant women encounter significant obstacles accessing the labor market. These obstacles limit their economic participation and diminish their earning potential, leading to income insecurity and a heightened risk of poverty. Indigenous women often face *racism, discrimination, and negative stereotypes* when seeking employment. The ongoing effects of colonialization, including lower education and literacy levels among Indigenous people, worsen this situation. Along with Indigenous and immigrant women, women with disabilities face similar barriers to earning a sufficient income for economic security. In fact, women with disabilities are far more likely to have *difficulty meeting their financial needs* (38 per cent) compared to the general female population (27 per cent).

3. 2SLGBTQIA+

Data from 2018 indicate that 40.5 per cent of 2SLGBTQIA+ Canadians have a total before tax income of less than $20,000. An additional 24 per cent make between $20,000 to $39,999 per year. By merging these two data points, we observe that roughly 65 per cent of individuals within the 2SLGBTQIA+ community fall within the bottom two income quintiles compared to roughly 50 per cent of non-2SLGBTQIA+ individuals. A further study on the economic characteristics of 2SLGBTQIA+ individuals unveils that bisexual persons make *significantly* less in before-tax income ($39,200) than their heterosexual ($55,000) or gay/lesbian ($50,100) counterparts. The study also finds that heterosexual (74 per cent) and bisexual women (68.1 per cent) in the core working ages of 25 to 65 are least likely to be employed full-time or part-time.

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4. DISABILITIES

Finally, persons with disabilities face ongoing barriers to equitable and accessible participation in the labour market. The *2022 Labour Force Survey*, for instance, reports that persons with disabilities are "consistently employed at lower rates than those without disabilities" in part due to "unmet workplace accommodation and workplace discrimination." In fact, as the severity of disability increases, employment rates drop from 76.6 per cent (mild disabilities) to 65.5 per cent (moderate disabilities), 50.4 per cent (severe disabilities), and 26.8 per cent (very severe disabilities).

Consequently, persons with disabilities are deeply financially disadvantaged when compared to persons without disabilities, and this disadvantage increases proportionately with the severity of the disability's impact on a person's life. This financial disparity is made evident in the median personal after-tax income for persons with disabilities, which, per the *2022 Canadian Survey on Disability*, was $32,870 compared to $39,490 for persons without disabilities. People with disabilities are also over-represented in food banks because of this decrease in wages and support. This disparity reaches alarming heights in Ontario, for example, where *disability support recipients* represent 30 per cent of food bank clients despite making up only 4 per cent of the provincial population.

HOUSING

Housing costs have skyrocketed in Canada, disproportionately affecting economically vulnerable groups that have been marginalized. The current crisis has resulted in a growing number of people living in '*core housing need*', which refers to an individual or household living in a dwelling that is not adequate (i.e., in need of repairs), affordable (i.e., amount of before-tax income spent on rent), or suitable (i.e., number of rooms sufficient for household composition). Currently, affordability of housing – defined as spending 30 per cent or less of total before-tax income on rent – is the most pressing issue affecting renters.

In fact, a *recent report* by the Canada Mortgage and Housing Corporation (CMHC) indicates that core housing need affects renters more extensively and acutely than owners since the former's median income tends to be less than half that of owners. This holds true especially for recent renter households who face higher monthly dwelling costs than existing renters. In fact, close to half of recent renters (43.2 per cent) were likely to reside in unaffordable housing. As a result, renter households also make up 68 per cent of food bank visits despite being only 33 per cent of the population.

1. RACE

Housing affordability has affected renters significantly more than homeowners. As racialized people are more likely to be renters than non-racialized people, they are more vulnerable to increasing housing rates. *Current census housing data* suggest that 17.2 per cent of racialized people (referred to in the census data as 'visible minorities') who rent live in core housing need compared to 16.7 per cent of non-racialized people. Although this gap may seem small at first glance, the numbers are misleading as Statistics Canada does not categorize Indigenous persons as "visible minorities." Due to Indigenous people's notably high rate of living in core housing need (23 per cent of renters), the comparison provided above fails to accurately depict the real disparity between

racialized and non-racialized individuals in core housing need. In fact, *a new study* by Western University and the University of Toronto on Canada's affordability crisis found that racialized people are more likely to reside in unaffordable housing than White people. To quote, "unaffordable housing rates were especially high among Middle Easterners, North African, and South Asians.

Filling out the picture of racialized people's access to affordable housing, a Statistics Canada *analysis on recent and existing renters* states that recent renters, who are most likely to live in unaffordable housing, are Latin American (11.9 per cent), Arab (10.3 per cent), and Black (9.7 per cent). In addition, the analysis also finds that one-sixth of recent immigrants (16.7 per cent) lived in a recent renter household in 2021. These findings suggest that immigrants grapple with housing affordability more than Canadian-born residents, including those from the same ethno-racial groups. Overall, 54 per cent of racialized individuals agree that it's hard to keep up with rising rents, compared to 32 per cent non-racialized.

2. FAMILY STATUS

Most *recent census data* show that 30 per cent of female lone-parent households living in rentals experience core housing need compared to 11.6 per cent of two-parent households in rentals. While the per centage of renting single male-parent households in core housing follows closely behind at 28.4 per cent, they only comprise a fraction of lone-parent families (approximately 15 – 20 per cent). Thus, there is a clear overrepresentation of lone parent households renting homes that are unaffordable, inadequate, and/or unsuitable.

3. AGE

In 2021, more than 1 in 3 (34.1 per cent of) children considered poor lived in unaffordable, unsuitable, and overcrowded housing compared to a rate of 17.5 per cent for all children. Poor or not, the rate of children dwelling in low-quality housing is worrisome as *research* indicates that quality as well as affordability of housing affects the health and development of children.

Seniors, on the other hand, are the fastest growing age group in Canada. Latest estimates show that 19.0 per cent of *Canada's total population is aged 65 and over*, an increase of per cent 2.1 per cent since 2016. While most seniors (75 per cent) are owners of adequate and affordable homes, those who rent experience distinct vulnerabilities as with renters across all groups. Nearly a quarter (*23 per cent*) of seniors who rent face challenges regarding the quality and affordability of their dwellings.

4. HOMELESSNESS

While the housing crisis has resulted in an increasing number of Canadian residents living in core housing need, it has also exacerbated homelessness – that is, living *"without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it"*. As previously mentioned, there is a significant lack of data for people experiencing homelessness, making it difficult to capture an adequate picture of homelessness.

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Given that the census does not collect data on homelessness, the most reliable data is found in point-in-time counts of homelessness that *"provide a one-day snapshot of homelessness in a community, including people experiencing homelessness in shelters and unsheltered locations, and those who are provisionally accommodated in transitional housing."* Based on the most recently nationally coordinated point-in-time counts in 2020 and 2022, it is possible to distinguish some significant socio demographic trends.

Most survey respondents were aged 25 to 49 years (55 per cent) and identified as men (63 per cent). Indigenous people and 2SLGBTQIA+ people disproportionately experience homelessness. To be more precise, 31 per cent of respondents identified as Indigenous and were more likely to stay in unsheltered locations (41 per cent) or experience hidden homelessness (45 per cent). While homeless people are predominantly male (63 per cent), among Indigenous respondents a higher percentage identify as women (40 per cent) compared to non-Indigenous counterparts (34 per cent). Indigenous people were also more likely to have been homeless in their childhood or youth.

The point-in-time counts unequivocally reveal that 2SLGBTQIA+ individuals (13 per cent) are disproportionately represented within the homeless population, considering they constitute only 4 per cent of the general population. Notably, the percentage of 2SLGBTQIA+ youth within this demographic was the highest (26 per cent) among their age group. When questioned about the causes of housing loss, 2SLGBTQIA+ respondents mentioned mental health issues (15 per cent) or conflicts with a parent or guardian (12 per cent) more frequently than their counterparts, who reported rates of 9 per cent and 7 per cent respectively.

FOOD SECURITY

Before delving into the data, it's essential to consider some overarching trends that have impacted recent levels of material deprivation, including food insecurity, in Canada. Global events such as the Covid-19 pandemic and, more recently, the war in Ukraine have resulted in a four-decade-high rate of inflation in 2022. Rising inflation rates have also meant that certain groups of individuals and households have struggled to meet their basic needs. For example, the rising cost of living has disproportionately affected the purchasing power of low-income earners, who are disproportionately racialized, Indigenous, female lone-parents, and individuals with disabilities. *In practice, households with the lowest incomes experienced a 25 per cent decrease in purchasing power, necessitating them to allocate nearly a quarter of their income toward food expenses*. Notably, by the end of 2022, 35 per cent of the Canadian population struggled to afford essential everyday expenses, including food, which has seen costs increase at a pace greater than inflation. Between *February 2019* and *2024*, the cost of food increased by 26.9 per cent and is predicted that food prices will increase by a further *2.5 – 4.5 per cent in 2024*.

To illustrate, *data from the Canadian Social Survey (CSS)* indicates that 40.3 per cent of Indigenous people had difficulty meeting their financial needs. Among racialized population groups, 56.9 per cent of Arab individuals, 50.1 per cent of Southeast Asians, and 46.6 per cent of Black individuals encountered significant financial difficulties. In contrast, 'only' 30.5 per cent of individuals not identified as a visible minority faced similar challenges. Additionally, 40.7 per cent of individuals within the 2SLGBTQIA+ community, compared to 32.7 per cent of those

outside the community, experienced financial struggles. Furthermore, while 28.5 per cent of individuals without disabilities faced financial challenges, the percentage rose to 38.8 per cent for individuals with disabilities.

In 2022, *2.7 million households* were food insecure – that is, 17.8 per cent of the Canadian population, nearly 1 in 5 households, and 6.9 million people, including 1.8 million children – met the criteria for food insecurity, such as being unable to purchase food, provide a balanced diet, eat three meals per day, and more. These numbers may understate the scale of the problem, as data from the 2023 HungerCount found that food bank visits *increased by 32 per cent between 2022 and 2023*.

Available data consistently demonstrates that household food insecurity is a multifaceted issue influenced by factors such as race, gender, age, and ableism. Thus, White people are least likely to experience food insecurity, with 15.3 per cent living in food insecure households. In comparison, Black (39.2 per cent), Indigenous (33.4 per cent), and Filipino (29.2 per cent) people face food much higher rates of insecurity in their households.

The racialized nature of the problem is also apparent if one looks at the percentage of children with inadequate access to food. In 2022, 24.3 per cent of children under 18 lived in food-insecure households. In fact, per *UNICEF Canada's 2023 child poverty report*, children "have the highest rate of food insecurity among all age groups in Canada." The numbers are more disconcerting when examining the percentage of racialized children, where, compared to White children (19.3 per cent), 46.3 per cent of Black children, 40.1 per cent of Indigenous children, 33.5 per cent of Arab children, 32.9 per cent of Filipino children, and 29.5 per cent of Latin American children experienced food insecurity. Overall, the disparity between racialized and non-racialized people is adequately captured in our national poll from this year which found that racialized people were far more likely (41 per cent) to say that they worry about feeding their family than non-racialized people (28 per cent).

As mentioned above, there is a general lack of concrete data on the 2SLGBTQIA+ community, including data on food insecurity. From the existing data, we know that 2SLGBTQIA+ people are heavily and disproportionately affected by poverty, low income, and homelessness. For example, 40.5 per cent of 2SLGBTQIA+ Canadians have a total income (before tax) of less than $20,000. An additional 24 per cent make between $20,000 to $39,999 per year. These low incomes severely affect individuals' ability to securely access food and meet their basic needs.

According to data from the *Canadian Community Health Survey (CCHS)* spanning from 2015 to 2018, bisexual individuals were nearly three times as likely as heterosexual individuals (24.8 per cent versus 8.5 per cent) and almost twice as likely as gay or lesbian individuals (13.3 per cent) to have lived in food-insecure households in the year leading up to the survey. And further, a *recent study* on 2SLGBTQIA+ people's experiences of food insecurity in Toronto reveals that 42 per cent of survey respondents experienced food insecurity. The overrepresentation of 2SLGBTQIA+ individuals among the homeless population further indicates their precarious access to food.

Addressing household food insecurity is critical as it is "one of the strongest predictors of poor health, making its persistence in Canada a serious public health problem. In short, it is a potent social determinant of health as people, including children, experiencing food insecurity are much more prone to suffering from chronic physical and mental health problems as well as infectious and non-communicable diseases.

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INDIGENOUS POPULATIONS

Canada's history of colonialism, persistent colonial policies and processes and ongoing discrimination, racism, and systemic oppression, profoundly affect Indigenous communities. These historical and contemporary factors significantly hinder Indigenous peoples' access to fundamental necessities such as housing, food, and income security.

1. INCOME

Whether Metis (12.6%), Inuit (16.5%), non-status Indian (16.8%), registered Indian off reserve (19.8%), or registered Indian on reserve (31.3%), all Indigenous populations experience much higher rates of low income than the rest of the population (10.7%), According to the ***2021 Census***.

In terms of income, the historical and ongoing impacts of colonial practices and policies have placed Indigenous people disproportionately among low-income earners, thereby perpetuating their experiences of poverty in Canada. Their ongoing marginalization and often precarious socio-economic and cultural circumstances contributed to their disproportionate impact from the pandemic, leading to a slower recovery period thereafter.

2. HOUSING

Inadequate housing poses a pressing issue within Indigenous communities, particularly in remote and Northern regions, where building materials are scarce and come at a higher cost compared to non-remote areas. On-reserve Indigenous communities face even greater challenges due to restrictions imposed by the ***Indian Act***, which prohibits using on-reserve property as collateral for accessing finances to build or renovate housing.

To better understand the housing conditions of Indigenous peoples, consider the following data: ***According to the 2021 Census***, 16.1 per cent of Indigenous individuals reside in housing requiring major repairs, such as those ***with mould or structural defects***, compared to 5.7 per cent of non-Indigenous individuals. This indicates that Indigenous peoples are three times more likely to live in inadequate, unsafe, and unhealthy housing. Additionally, 17.1 per cent of Indigenous individuals live in overcrowded housing, exceeding the National Occupancy Standard for suitable living space. This percentage rises to 25.4 per cent for Indigenous individuals who are registered or hold Treaty Indian status. For example, a significant proportion of Inuit individuals reside in dwellings with a shortfall of one, two, or three or more bedrooms, further underscoring the housing challenges faced by Indigenous communities.

Finally, indigenous homelessness in Canada is intricately tied to the nation's colonial past and its enduring effects. It's essential to understand that Indigenous experience of homelessness extends beyond mere lack of housing. Indigenous individuals experience homelessness across ***twelve distinct dimensions***, including historic displacement, separation from ancestral lands, spiritual disconnection, mental imbalance, cultural erosion, overcrowded housing, relocation for socioeconomic opportunities, returning home as outsiders, lack of refuge, fleeing harm, crises, and displacement due to climate change.

In addition to their unique experience of homelessness, Indigenous Peoples, including First Nations, Métis, and Inuit communities, are disproportionately affected by homelessness in urban areas across Canada with Nearly one-third identifying as Indigenous (24 per cent as First Nations, 6 per cent as Métis, and 2 per cent as Inuit). This overrepresentation is evident when comparing to census data, where approximately 5 per cent of Canadians identify as Indigenous. Moreover, Indigenous respondents are more likely to be those staying in unsheltered locations or experiencing hidden homelessness, suggesting that shelter-specific statistics may underestimate the extent of Indigenous homelessness.

Additionally, Indigenous respondents, particularly women, exhibited higher rates of chronic homelessness, with 75 per cent of Indigenous respondents experiencing chronic homelessness compared to 68 per cent of non-Indigenous respondents. ***Point-in-Time Counts of Homelessness*** reveal that early experiences of homelessness were also prevalent among Indigenous respondents, with 55 per cent first experiencing homelessness as children or youth, compared to non-Indigenous respondents who tended to experience homelessness as adults. Indigenous respondents were also more likely to have experience being in care / of the child welfare system in their youth, with 51 per cent reporting such experiences compared to 22 per cent of non-Indigenous respondents.

Regarding health challenges, Indigenous respondents exhibited higher rates for all health issues, with the largest difference seen in substance use issues, reported by 69 per cent of Indigenous respondents compared to 57 per cent for non-Indigenous respondents. This overrepresentation of Indigenous Peoples among those experiencing homelessness underscores the complex interplay of historical, cultural, and systemic factors perpetuating homelessness within Indigenous communities.

3. FOOD SECURITY

Data on household food insecurity among Indigenous Peoples in Canada is predominantly sourced from the ***Canadian Community Health Survey (CCHS)*** and the ***Canadian Income Survey (CIS)***. However, these surveys exclude individuals living on-reserve, thus failing to fully capture the experience of Indigenous people residing on-reserve, who make up nearly half of status First Nations individuals in Canada. This presents a large and deeply concerning gap in the data and makes it impossible to understand the full scale of the challenge. With what research is available, accounts indicate that Indigenous people experience higher rates of food insecurity than the rest of the population. Surveys conducted in remote Northern communities, such as Nunatsiavut and Nunavik, reveal alarmingly high rates of household food insecurity. However, people residing in these communities are likely under-surveyed due to limited coverage and sampling. As examined in ***Data Resources and Challenges for First Nations Communities***, First Nations communities have also been harmed by the misuse of their data and have experienced being "researched to death", with this data rarely being used to the benefit of First Nations communities. This data misuse has resulted in broken trust and misappropriation. While the methodological differences make direct comparisons challenging, it's probable that food insecurity among Indigenous Peoples is even more severe than national estimates suggest, given this underrepresentation.

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According to the groundbreaking and comprehensive ***First Nations, Nutrition and Environmental Study (FNFNES)***, which addresses the gaps in knowledge about Indigenous nutrition and food security on reserves, the percentage of food insecurity (48 per cent) is very prevalent and high in First Nations communities. While the highest rates of food insecurity were found in Alberta (60 per cent) and in remote communities, the lowest were found in northern British Columbia. In general, households with two or more individuals employed full-time, older adults aged 71 and above, males, and individuals reporting good health and non-smokers experienced lower levels of food insecurity. More studies like this are needed to close the research gap, particularly on health outcomes, that exists between Indigenous and non-Indigenous individuals. This is imperative to meet the Truth and Reconciliation Commission of Canada's call 19, which calls on the Government of Canada "***in consultation with Aboriginal peoples, to establish measurable goals to identify and close the gaps in health outcomes between Aboriginal and non-Aboriginal communities***."

Indigenous food insecurity is worsened by inadequate employment opportunities and income levels in comparison to rising food expenses. Compounding the issue, food prices are notably higher in communities distant from major urban centers, making a healthy and ample food supply unattainable for many. In fact, ***FNFNES*** suggests that food costs can be two to three times higher in communities situated over 50 kilometers away from urban hubs, with even steeper prices observed in fly-in communities. Overall, nearly half of all First Nations families struggle to adequately feed themselves. The impact is even more pronounced among families with children.

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DESIGN

Igniter
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EDI ANALYSIS

Empowered EDI

CLICK HERE to read the Methodology used in development of the 2024 Povery Report Cards.

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