

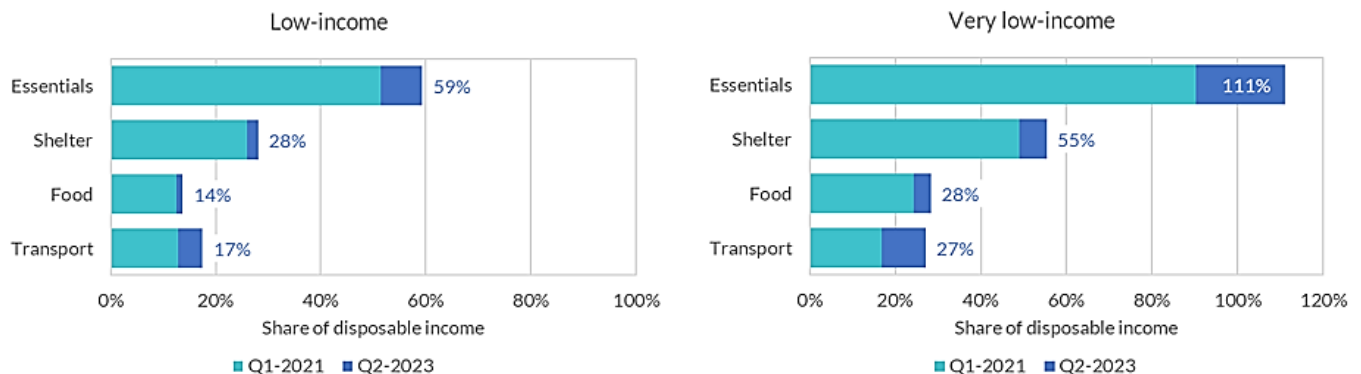
Groceries and Essentials Benefit Campaign Brief

Context

Prior to the pandemic, Canada wide food bank visits were just above 1 million per month. In 2024, this number jumped to nearly 2 million, and we expect that may continue growing.

At the root of this massive influx of food bank clients are millions of Canadians struggling with the cost of groceries and essentials. This is not a surprise to governments, who are well aware that nearly 9 million people in Canada are food insecure (including more than 2 million children).

When diving deeper, this issue does not come from a lack of effort by low-income people in Canada. For the two lowest income quintiles, the cost of essentials such as food, shelter and transportation occupies a massive share of the household budget. Millions of Canadians now spend more than 100% of their income on essentials (shelter food and transport).



Families who are now paying all or most of their income on shelter, food, and transport are still expected to cover other fixed costs like internet and phone bills, debt repayment, and childcare.

Why Government is Needed

Despite moderating inflation pressures overall, food inflation has far outpaced other costs and has left families across the country with wages that cannot meet these new prices. With most, all, or more than a household's total income going to the most essential things, more people are skipping meals, taking on debt, and stepping further away from a life of dignity.

More than anything else, government transfers are the key insurance policy against poverty. With transfers, it is a government's role to ensure that nobody falls into a life of poverty despite doing their best. Right now, governments are failing in their role.



As the Canada Child Benefit (CCB) and GIS/OAS demonstrate, income transfers are a highly effective way to reduce food insecurity. Recent estimates suggest the CCB reduced food insecurity by approximately 5% (and potentially as much as 9%).

Unfortunately, the increases in the GST rebate since COVID-19 have only had a modest effect on relieving the pressure on low-income households. The 2023 Grocery Rebate only addressed a small portion of the challenge by adding about \$20 per month per adult despite cost increases of around \$130 per month per family.

Recent efforts to boost competition in the grocery sector are helpful for price moderation but are unlikely to bring down prices to meet low-income people where they are.

Even with unemployment restored to pre-pandemic levels, a job is insufficient to solve the basic vulnerability that the working poor faces. For example, the income needed to cover essentials versus the minimum wage in Ontario provides a gap of ~ \$8.50/ hr.

Our Campaign

For years, Food Banks Canada has been doing everything in its power to shine a light on the rising visits to food banks. Brought on by decades of policy neglect, and worsened by recent inflationary pressures, food insecurity in Canada has never been higher.

Despite the urgent need for help, as millions of Canadians struggle to put food on their table every day, governments continue to cut costs and ignore the crisis unfolding before them. While some long-term plans for issues like affordable housing have been announced recently, very little is being done to help people struggling right now. We cannot continue to ignore this issue and wait for the storm to pass over. This is not a temporary problem – it is a long standing and deeply rooted issue the requires action from all levels of government.

The Groceries and Essentials Benefit is an example of the kind of help that Canadians need from governments today. It is a fast and impactful solution that gets real dollars into the hands of low-income people in Canada. This money can be used to help people who have been struggling to pay for food, rent, bills, childcare, and healthcare. It's time for governments to show some leadership and help Canadians to afford the most basic essentials that they need.

With the support of the network and from people across the country, our petition calling for urgent action has received over **65,000** signatures. Canadians have also sent over **25,000** letters to their MPs asking for the implementation of the GEB.



How would the GEB Work?

The government already provides a tax-free quarterly GST/HST rebate to offset the cost of taxes that low and modest income households pay.

The GEB would reform this policy by providing \$1,800 a year per adult and \$600 per child provided in monthly payments to give recipients more stability

The goal would be to offer support to the widest net of struggling households, particularly those that are less often targeted for support, including single adults and working adults.

Economic and policy analysis was done by Gillian Petit who concluded that GST/HST credit is the best option to reach a wide range of family types including adults without children and those who are unemployed.

According to Petit's calculations, the proposed benefit would reach around 9.7 million families with an estimated additional cost to the federal government of about \$11 billion per year.

Resources

Policy Brief: [Groceries and Essentials Benefit: Helping People with Low Incomes Afford Everyday Necessities](#)

Economic Analysis: [Improving Access to Food and Essential Needs: Options for a More Generous Cash-Transfer Benefit](#)

FBC Petition page: [Join the call for change - Food Banks Canada](#)

FBC Send-a-Letter page (also the GEB campaign page): [A Groceries and Essentials Benefit for Canada - Food Banks Canada](#)

