



Introduction

Making Ends Meet

In 2009, Citizens for Public Justice (CPJ) launched the *Bearing the Brunt* project to capture and track the impact of the recession on Canadians and their families. Evidence from previous recessions demonstrated that economic downturns can have a long-term detrimental impact as good jobs are lost and governments cut back community supports and services. Economic and social divisions become entrenched. The bonds that hold communities together weaken. The most vulnerable are left behind.¹

As part of the *Bearing the Brunt* project, CPJ released a *Poverty Trends Scorecard* in 2010 that highlighted poverty trends and several key factors related to family economic security. The *Scorecard* was based on a detailed research study called *Bearing the Brunt: How the 2008–2009 Recession Created Poverty for Canadian Families*.

Updating the *Poverty Trends Scorecard* affords an opportunity to not only assess how well Canadian families have done since the onset of the recession, but to turn our attention to today's pressing problems.

The new *Scorecard* is organized around an expanded set of themes and indicators, based on the framework developed in 2010. This framework speaks to

current trends influencing family economic security, highlighting the impact of growing income and wealth inequality and the high cost of poverty. The *Scorecard* is divided into four theme areas: Poverty Trends; Income, Wealth, and Inequality; Labour Market Trends; and Making Ends Meet. A set of fact sheets has been prepared for each theme area, summarizing key trends through tables, charts, and narrative.

The goal of the *Scorecard* initiative is to create an accessible suite of materials that will support national and community-level anti-poverty work, including CPJ's own outreach and engagement activities, and those of *Dignity for All: The campaign for a poverty-free Canada*.

Making Ends Meet makes the case that significant action is needed to assist those struggling with the high costs of essential goods and services in Canada. A comprehensive anti-poverty action plan would include both measures to strengthen income security programs as well as investments in supports and services such as affordable housing; programs to facilitate access to healthy and affordable food; and assistance for low-wage, precarious workers seeking better-paid, long-term employment.

Poverty Trends Scorecard Project (Fact Sheet Series)

- “Poverty Trends Scorecard – Canada 2012” (October 2012)
- “Income, Wealth, and Inequality” (April 2013)
- “Poverty at Your Doorstep” Series (Montreal, Toronto, Hamilton, Winnipeg, Vancouver)
- “Labour Market Trends” (July 2013)
- “Making Ends Meet” (December 2013)

Making Ends Meet

Summary

Four years after the recession, the economic recovery remains modest and Canadians continue to report high levels of uncertainty about the future. The number of jobs has been increasing, notably in the past year. But employment gains have not kept pace with population growth and the trend towards temporary, contract and self-employment continues. Too often, those searching for work face a stark choice between precarious work – at lower levels of pay – or no work.

In the face of economic uncertainty and stagnant incomes, Canadians are working hard to keep up with rising living costs, many turning to food banks and credit cards to make ends meet. Low-wage workers are in an especially difficult position as their incomes fall well short of what is needed to purchase nutritious food, shelter, transportation, and other basic necessities of life. Minimum wages, for example, are currently set at roughly 35% to 50% of the provincial average hourly wage in various provinces across the country.

The high cost of housing in particular is a significant stress. In cities such as Vancouver and Toronto, homeownership is beyond the means of many. As a result, the demand for affordable rental units remains high, driving up housing costs among renters as well. Newfoundland, Manitoba and Saskatchewan have experienced the most significant increases in the cost of rental housing in recent years.

According to the 2011 National Household Survey, 3.3 million households – fully one-quarter of the total number – spent more than 30% of their annual income on shelter, a level the Canadian Mortgage and Housing Corporation (CMHC) considers “unaffordable.” Over 60% of these households had total incomes below \$30,000 per year.

Creative solutions in Canadian communities have started to increase the supply of affordable housing and needed support services – but demand is great and the waiting lists for subsidized housing are long. On any given night, 30,000 people are homeless, lodging in shelters or temporary institutional accommodations (such as hospitals), or sleeping outside. In addition, an estimated 50,000 are the “hidden homeless,” individuals and families who move from place to place, “couch surfing,” or who are staying in other short-term housing arrangements.

The surge in food bank use is another sign of economic stress since the recession in 2008–2009.

“Food Banks Canada’s Hunger Count 2013 reveals that **834,000** people turned to food banks or an affiliated food program in March 2013.

Food insecurity is particularly acute in northern and remote Aboriginal communities. For example, the Nunavut Inuit Child Health Survey found that nearly 70% of Inuit preschoolers aged three to five years reside in food insecure households.

While food banks were originally intended only as temporary stop-gap measures, they have become entrenched community institutions in the absence of coordinated efforts to eliminate poverty. Food Banks Canada’s *Hunger Count 2013* reveals that 834,000 people turned to food banks or an affiliated food program in March 2013. This represents a decline of 4.5% from 2012, but still a 23% increase over the same period in 2008.

Education has the potential to overcome intergenerational cycles of poverty. Yet, as Canadian neighbourhoods have been increasingly polarized along income lines, the promise of education has become harder to fulfill. Fees for education and educational supplies have been trending upward for over a decade as educational budgets across the country have been cut. The cost of post-secondary education in particular now deters many low- and middle-income Canadians from pursuing higher education.

The combined impact of low family income, rising educational costs, and limited access to extracurricular activities and recreation create barriers to educational success for children and youth living in low-income families, the harmful impact of which lasts a lifetime.

Canada’s response to the stress and challenge of living on insufficient incomes has fallen considerably short of the mark. The introduction of homelessness strategies in selected communities shows that

progress is possible when public, private and nonprofit partners come together around a common vision and commit the time, resources and political capital necessary to affect change. At the same time, as Food Banks Canada notes, “We are at a point where the welfare office refers people to the food bank rather than provide emergency funds. [...] To deny this is a crisis, or to believe this is the best way to address poverty and food insecurity, is to deny reality.”³

This report makes the case that significant action is needed to address the high cost of essential goods and services and the root causes of poverty. A comprehensive anti-poverty action plan would include a suite of policies and programs that both strengthen income security programs and invest in critical supports and services for low-income people, such as affordable housing, programs that facilitate access to healthy and affordable food, and assistance for low-wage, precarious workers.

Making Ends Meet Indicators, 2008-2012

	2008	2009	2010	2011	2012	Trend: 2008-2012	Trend: 2008-2012
Consumer Price Index (annual % change)							
All items	2.3	0.3	1.8	2.9	1.5	6.7	▲
Food	3.5	4.9	1.4	3.7	2.4	13.1	▲
Shelter	4.4	-0.3	1.4	1.9	1.2	4.2	▲
Energy	9.9	-13.5	6.7	12.3	1.7	5.4	▲
Health and personal care	1.4	3.0	2.7	1.7	1.4	9.1	▲
Education	2.9	3.7	4.0	3.8	3.7	16.0	▲
Expenditures Trends of Poorest 20% of Households (annual % change)							
Food				-7.5			
Shelter				0.3			
Household expenses				4.8			
Clothing and accessories				-7.9			
Transportation				1.2			
Health and personal care				-5.5			
Recreation				-4.8			
Education and reading				13.7			
Wage and Income Trends (annual % change)							
Average hourly wages (%)	4.4	3.4	2.2	2.0	2.9	4.0	▲
Average weekly earnings (%)	4.2	2.8	2.1	2.4	3.2	3.8	▲
Average household after-tax income (%)	1.3	0.3	0.2	0.0	na	0.5	▲
Average household after-tax income of poorest 20% of households (%)	2.7	0.0	-2.0	0.7	na	-1.3	▼
Housing							
Housing affordability (% spending 30% or more of total income on shelter)				25.1			
Couples with children				16.4			
Lone-parent families				36.3			
One-person households				41.4			
Average rent for 2 bedroom apartment, October (constant 2012\$)	848	864	871	866	875	3.2	▲
Vacancy rate, October (%)	2.3	3.0	2.9	2.5	2.8		▲
Education							
Average undergraduate fees (constant 2011\$)	5,656	5,827	6,107	6,039	6,254	10.6	▲
Food / Hunger							
Food bank users (#)	675,735	794,738	867,948	861,775	882,188	30.6	▲

Note: In 2010, Statistics Canada introduced a new methodology for gathering information on household spending. As a result, it is not possible to examine spending patterns over time – that is, to examine a period of time earlier than 2010. As well, please note that the indicators on housing affordability are based on the National Household Survey which is fielded every five years.