

2024

A TIME FOR URGENT ACTION

The 2024 Report of the
National Advisory Council on Poverty

EXECUTIVE SUMMARY





MESSAGE FROM THE CHAIRPERSON

I am humbled to present, on behalf of the National Advisory Council on Poverty, our 2024 report on the progress of *Opportunity for All—Canada’s First Poverty Reduction Strategy*.

This year our Council welcomed 6 new members. Their perspectives, care and enthusiasm have helped to evolve the Council and played a big role in the urgent tone and audacious outlook of this report.

In 2024, we ventured out to talk to people in places we’ve never been, from stark and striking Whitehorse, to downtown Calgary, to the outskirts of Halifax, and to the rocky shores of St. John’s. We also spoke to hundreds of organizations during our virtual engagement sessions. The message stayed pretty much the same as in previous years—“we need help, now!”—but was said with much more urgency.

We were particularly distressed by the stories of tragedy and trauma, of lives lost, of deep despair and dread. We heard firsthand of young families torn apart by the very systems that were supposed to support them. We talked with people who were lonely, isolated and desperate. There were people who couldn’t see anything getting better and feared what the future holds for all of us.

Overall, this year’s conversation about poverty felt heavier than in the past, somehow more urgent. More and more individuals are in survival mode, seeking some sort of stability amid rising costs. The faces were different and the experiences unique, but the challenges raised were unfortunately familiar and similar to those we hear about year after year.

Some themes stood out from the rest. The availability and affordability of safe and suitable housing, the ever-increasing cost of feeding your family, the long hours and low wages of work to barely keep your head above water, service providers becoming clients within their own organizations: these were the things we repeatedly heard.

Having said this, we did see glimmers of hope—hope that if we come together, we can figure out how to do better. We were blown away by the entrepreneurial, innovative and collaborative action we witnessed and heard about.

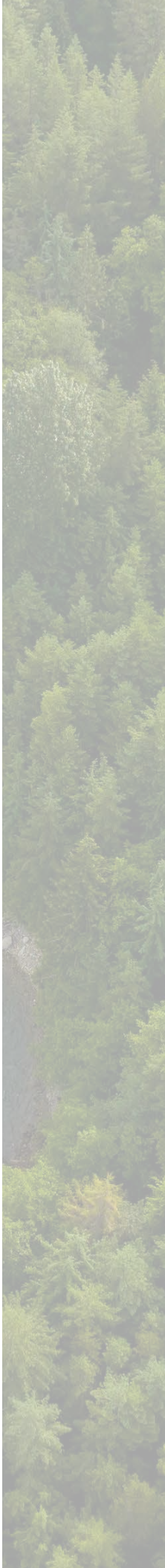
Thankfully, there are smart, passionate and dedicated people that are focused on doing everything better. They serve so that everyone can be safe and secure in a place they call home, feel cared for and cared about as part of a community, feel empowered, and feel love and belonging. They contribute to creating a Canada where we are all able to match our potential and ambition with the opportunity to build a better life for everyone.

This report outlines the challenges and the conversations we heard. We hope it provides a compelling sense of urgency for continued courageous political action.

Thank you,

Scott MacAfee

Chair, National Advisory Council on Poverty



EXECUTIVE SUMMARY

People living in Canada are facing significant challenges. The poverty rate increased for the second consecutive year in 2022. The 2022 poverty rate was up 2.5 percentage points from 2021 and 3.5 percentage points from 2020. This represents 1.4 million more people living in poverty in Canada in 2022 compared to 2020. If this trend continues, the Government will not only fail to meet its 2030 target of a 50% decrease in poverty compared to 2015, but may also fall back below its 2020 target of a 20% decrease.

A variety of government actions have contributed to a reduction of poverty in Canada since 2015. However, they have not been able to stop the increase in poverty over the last 2 years. Furthermore, the Government's approach to delivering benefits and services has proven insufficient to reaching all those made most marginal.

Meeting vital needs to thrive

This year, in our conversations with communities and stakeholders, we heard a lot about the high cost of goods and services. We also heard about the need to make sure that everyone has access to what they need for a healthy life. This includes access to the resources, means, choices and power necessary to acquire and maintain a basic standard of living and to facilitate integration and participation in society. Among these needs are tangible items like housing, transportation and food, as well as access to services like health care (including mental health care). It also includes intangible things, like a sense of identity, inclusion and dignity.

We heard of urgent needs to increase both minimum wages and social assistance rates to reduce poverty and increase dignity. People shared that because wages are not scaled to inflation, even people who are working full-time, and some who have multiple jobs, live in poverty. We heard throughout the country that government supports at all levels are inadequate and are often well below Canada's Official Poverty Line. Because of this, many people who rely exclusively on government benefits live in poverty by design.

The data shows that costs remain high for key household expenses, such as groceries and housing (Department of Finance Canada, 2024). Further, prices have yet to stabilize as the costs of some vital needs continue to increase significantly. The cost of food increased by 8.9% on an annual average basis in 2022 (Statistics Canada, 2024a). Similarly, costs rose by 6.9% for shelter, 10.6% for transportation, and 4.1% for health and personal care in the same year.

As costs rise, more people living in Canada are finding it challenging to make ends meet, as evidenced by the rising rate of poverty. We heard that, rather than thriving, an increasing number of people are barely surviving. Many people are now falling into poverty because they can no longer afford the things that they need. We heard about families and individuals accessing services when they had never needed to access them before. This includes once-financially-comfortable families facing poverty for the first time.

Improving access to benefits and delivery of services

A wide range of services, programs and benefits are in place to support people living in Canada. Governments at all levels, non-profit organizations and other front-line service providers establish and offer these services. CanadaHelps (2024) reported that 1 in 5 people living in Canada used charitable services to meet essential needs in 2023. Almost 7 in 10 (69%) said this was the first time they relied on charity. This increase in demand for services and products delivered by the non-profit sector is outpacing its capacity.

We heard through our ongoing dialogues that accessing benefits and services is challenging and complex. People noted that systems are difficult to navigate and disconnected, particularly across jurisdictions, but also within and at all levels. People who would benefit most, as well as staff and volunteers supporting clients, are often not aware of what is available or how to access the services and programs. Additionally, some groups, such as those made most marginal, are more likely to live in poverty and face challenges accessing the benefits and services they are entitled to due to systemic inequity and racism.



On the positive side, we met dedicated individuals doing innovative work, building relationships and offering supports to people with complex needs, often filling gaps in the system. We saw many examples of organizations meeting people where they are and supporting more people than ever. Organizations were taking the time to establish connections, nurture relationships and build trust so individuals feel comfortable accepting help and support. On the negative side, we also heard that non-profit organizations rarely receive sustained long-term funding or funding for basic operational requirements. This makes it difficult to provide holistic support to address complex needs while maintaining daily operations. Organizations described how stable funding allows them to undertake longer-term projects and innovate. Inadequate and limited funding, combined with outdated support systems, make it challenging for organizations to keep up with the rising demand. This has contributed to burnout in the sector.

Building strong communities and enabling equity

The Council has been met with a sense of desperation during our dialogue with individuals and stakeholders across Canada this year. The challenges faced by people during the height of the COVID-19 pandemic and the subsequent economic situation may have created discord and fear about what will come next.

We heard from a lot of people who are operating in what they describe as “survival mode.” They explained that because they have unmet vital needs compounded by dealing with trauma, substance use, homelessness or any of the other challenges closely associated with poverty, surviving is often their only thought. These conditions—experiencing poverty and being in survival mode—are actively traumatizing.

We heard that many people are more likely to be thinking specifically about their own families and communities, and that the bridges between people and between communities are starting to give way. This could have serious consequences for individuals and for society. It could lead to increased loneliness, isolation and mental health problems. It could also lead to divisiveness and discrimination. Left unchallenged, it could undermine society and our ability to help those made most marginal.

Communities are struggling with increasing resource disparity and limited access to health care, services and opportunities. Those new to poverty may be in shock and concerned with surviving while navigating complicated and unfamiliar systems. We heard that those who are not new to living with poverty have seen a deterioration in the supports that they receive.

With the lack of affordable housing, more people access shelters, live in encampments or sleep rough on the street. We heard that often people do not feel safe in shelters, and there are insufficient alternate options. Tent encampments have become widespread and are no longer just in urban areas where they may have been historically. Homelessness is more visible as a result.

And, for some, these issues are superimposed on existing problems that need specific solutions. We heard from Indigenous people, Black people and people from other racialized groups about the myriad of ways colonization impacts them. Not only has colonization taken place in Canada, but Canada has supported colonial systems internationally. People living in Canada may have been impacted by colonialism internationally before coming to Canada. Both have ramifications on the development of trust between communities and government. Neocolonial practices impact those made marginal and undermine trust and connections between people by:

- using colonial structures as the basis for dialogue and service delivery
- using Eurocentric approaches
- ignoring the systemic nature of racism and discrimination

Racialized persons were more likely to live below the poverty line in 2022 (13.0%) than non-racialized persons (8.7%). Among racialized groups, the poverty rate was highest for persons identifying as Arab (18.7%), Chinese (15.6%) and Black (13.9%). We heard that a concerted effort to focus on decolonization is required.



Recommendations

Governments at all levels, communities, and private sector actors have made significant investments that could decrease poverty. The Council recognizes the Government of Canada's role in developing and reinforcing a suite of programs and supports to strengthen Canada's social safety net. These investments have reduced the overall poverty rate in Canada significantly relative to 2015. However, while the poverty rate is lower than it was in 2015, Canada's poverty rate increased in both 2021 and 2022 after decreasing for several years.

The convergence of multiple crises, leading to an increase in poverty, leaves people with a sense that things are not getting better anytime soon. People feel desperate, hopeless and overwhelmed at the variety and constant nature of the challenges they face. Many stakeholders expressed frustration about the lack of coordinated efforts and the need to update antiquated government systems that force people to rely on charity to meet their vital needs. They don't see a way out. This is especially true for those who have experienced poverty for generations. There is a sense of urgency and a need for immediate transformative action throughout the country.

Government needs political courage to create change. Specifically, the federal government has to play a convening role in bringing people together. The Government needs to confront the forces perpetuating the inequity of poverty and ensure that everyone has an adequate income whether through employment or government benefits.

Meeting vital needs to thrive

Recommendation 1

The Council has seen the devastating impact of living with poverty, particularly during our discussions with people experiencing poverty. We recommend that the Government's current target of a 50% reduction in poverty (set in the *Poverty Reduction Act*) be seen as a staging post toward a more ambitious goal of a Canada with no poverty. Given the impacts of poverty that this Council has witnessed, we recommend that the Government work toward zero poverty. An important consideration for achieving zero poverty is the adequacy of government benefits. Relying on government benefits, in the short or long term, should not mean living with poverty.

The Council proposes that the federal government should:

- work across governments to introduce a basic income floor, indexed to the cost of living, that would provide adequate resources (above Canada's Official Poverty Line) for people to be able to meet their basic needs, thrive and make choices with dignity
- while working toward a basic income floor, increase income security by incrementally reforming current benefits to increase benefit amounts. A twin approach of ensuring adequate funding of state welfare programs and decreasing inequities by targeting increases to the groups made most marginal could help achieve this goal. Specific improvements to programs could include:
 - introducing legislation to leverage Canada Social Transfer payments to provinces and territories to ensure that social assistance rates in each jurisdiction meet a percentage of the Market Basket Measure
 - taking a human-centred approach to benefits that can provide flexibility to support unique scenarios and important life transitions
 - providing a plan to build up the Canada Disability Benefit in both accessibility and adequacy and ensure it functions as a stackable benefit with provincial/territorial programs and does not result in any clawbacks
 - separating maternity and parental benefits from the Employment Insurance program so that they are not tied to employment, and increasing the amount that the benefit provides so that people are not living with poverty in the first year of their child's life



Recommendation 2

To address the housing challenges facing people living in Canada, the federal government should:

- work with the provinces, territories and municipalities to develop a plan with targets to decrease core housing need for people who are spending 30% to 50% of their income on housing. This includes an expansion of non-market-linked housing (housing managed by government or non-profit organizations) that corresponds to the needs of different communities and different family sizes and types. Prioritizing non-market housing would support the development of affordable not-for-profit housing, rather than investment properties
- introduce and oversee the implementation, delivery and coordination of federal rental subsidies that:
 - include a percent to account for energy and utility costs
 - are associated with the individual, not the property (following tenants between rentals), allowing people to choose their own housing (unlike subsidized housing where people typically have no choice over where they live)

Recommendation 3

To increase food security, the federal government should:

- in support of the United Nations Sustainable Development Goal 2 (end hunger, achieve food security, improve nutrition and promote sustainable agriculture), establish government regulation of nutritious food prices. This could be done for items included in the National Nutritious Food Basket used in the development of the Market Basket Measure
- when implementing the National School Food Program, ensure that it is low-barrier, stigma-free, equitable and inclusive, and provides nutritious food. Additionally, consideration should be given to promote programs that offer both breakfast and lunch, that offer culturally appropriate options and that involve local producers

Improving access to benefits and delivery of services

Recommendation 4

To facilitate low-barrier and equitable access to benefits and services, the Government should:

- explore ways to expand auto-filing and auto-enrollment for people living with poverty to ensure that all available benefits and supports are accessed by all those eligible at the federal, provincial and territorial levels
- fund systems navigation initiatives to help people through the benefits and services system

Recommendation 5

To support the non-profit sector that provides a vital and essential role in supporting those who have been made most marginal, the federal government should use its leverage to:

- provide stable, long-term, operational funding for non-profit organizations that allows for flexibility and autonomy in how organizations are managed
- mandate funding that supports and ensures fair and equitable wages and working conditions for employees in the non-profit sector
- reduce the administrative burden associated with the funding process (application, implementation and reporting) but ensure that accountability is in place to measure the impact of the investments
- support organizations that promote innovation in response to their clients' and target audiences' needs



Building strong communities and enabling equity

Recommendation 6

To increase equity and to work to build strong communities, the Government of Canada should:

- take urgent action to respect treaty rights and support Indigenous leaders to reduce poverty in their communities and to ensure that they have all the resources available to support their own people in their own way. This includes urgently implementing the Calls to Action from the Truth and Reconciliation Commission and the Calls for Justice from *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*
- develop a plan to address poverty inequality—specifically, a plan to decrease the poverty rate in marginalized groups to meet or be lower than the average poverty rate in Canada
 - such a plan should:
 - promote and increase equity in program and policy design and implementation
 - reduce stigma around poverty, including helping everyone see individuals as humans, equals and essential, regardless of income or social condition
 - explain how current poverty reduction measures would be tailored to specifically meet the needs of the populations made most marginal
 - set clear targets of equity to be met by 2030, at the latest
 - include accountability and evaluation mechanisms to monitor implementation of the plan
 - potential plan activities could include:
 - developing mandatory training for all federal front-line government service providers, including trauma-informed service delivery and equity and anti-racism training
 - eliminating racism and discrimination from child welfare decisions. Solutions to poverty are needed rather than using child welfare as a circuitous solution to poverty (removing children experiencing poverty from their family, which has side effects such as cultural, linguistic, familial and emotional upheavals)
 - ensuring that newcomers have adequate and equitable access to benefits
 - introducing new measures to address poverty among children and youth, including families who are caring for children with disabilities