

Report reveals nearly one quarter of Canadians are living in poverty

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Around one quarter of all Canadians are living in poverty, according to a new report authored by several non-governmental organizations. The report comes in the midst of a historic cost of living crisis for working class Canadians and bumper profits for big business, the Bay Street banks and war profiteers.

Titled “Measuring Poverty In Canada Through a Deprivation Lens,” the report is a joint project by Food Banks Canada, the Maple Leaf Centre for Food Security, and the Maytree foundation. It follows closely on the heels of a Statistics Canada report published in April that revealed 23 percent of the Canadian population experienced some level of food insecurity in 2022.

Another survey by real estate company Royal LePage found that over half of Canadian renters spend more than 30 percent of their net income on rent. Some housing markets see a large proportion of renters spending more than 50 percent of their income on rent, such as British Columbia (25 percent), Atlantic Canada (24 percent) and Ontario (18 percent).

The Measuring Poverty report takes a novel approach to defining poverty and determining what percentage of the population experiences it. Rather than relying on the traditional Market Basket Measure (MBM), an income-based poverty line, the authors of the report utilize the Material Deprivation Index (MDI) to measure the extent of poverty in Canada.

In contrast to the MBM, the MDI assesses whether a household experiences poverty by counting how many goods and services, or social activities, it is deprived of. Some of the 11 categories include access to sufficient protein in the diet, being able to pay bills on time, and the ability to keep the home at a comfortable temperature year-round.

The report makes the case that a household that is deprived of two or more of these items experiences poverty, regardless of income level. According to the report’s authors, this measuring stick appears to be “more consistent with the current experiences of food banks, the reported incidence of hunger, and other symptoms of economic distress.”

Using the MDI, the authors conducted a survey of 4,625 Canadian residents. They found that about 25 percent of respondents experienced at least two deprivation items, and 17 percent of respondents experienced three or more deprivation

items. Out of a population of approximately 41 million, this would translate to around 10.25 million Canadians living in poverty.

Only 62.6 percent of respondents reported having zero deprivation items. Extrapolated to the entire population, 37 percent of Canadians go without at least one core necessity. This is a significant indicator of social distress and echoes numerous reports over the past several years showing that half of all Canadians live paycheck to paycheck.

By comparison, Statistics Canada’s poverty figures in 2021 using the MBM model found that 7.4 percent of the population experienced poverty. Government figures show the prevalence of poverty at 10.3 percent in 2019, dropping to 6.4 percent in 2020 as a result of the limited government financial aid made available during the first few years of the COVID-19 pandemic, before rising again as aid was pulled back and inflation surged.

The government stimulus payments were cut off as early as possible and remained inadequate to providing recipients a decent standard of living. The fact that they nonetheless reduced official poverty figures underlines just how little millions of Canadians have to live on at the best of times. Governments at every level wasted no time in dismantling life-saving pandemic safety measures, railroading millions of workers back to work, where millions caught and continue to be infected with the deadly SARS-CoV-2 virus.

The Measuring Poverty report notes that the number of visitors to food banks spiked dramatically during the pandemic and continues to climb, writing bitterly, “The MBM notwithstanding, can a household that cannot afford to eat be anything other than poor?”

Excerpts from the report’s findings reveal that the Canadian working class, especially its most vulnerable and disenfranchised sections, is living through a social crisis unprecedented since the Great Depression.

Between 55 and 60 percent of those living in poverty have employment income. This underscores the extent to which wages have been completely decoupled from productivity gains over the past several decades and failed to keep pace with the skyrocketing cost of living.

The highest incidence rates of poverty are among those aged 18 to 30 (30.2 percent), 31 to 44 (29.3 percent), and 45 to 64

(27.7 percent). Single-person households under age 65 have a poverty rate of 34.6 percent.

Black and indigenous respondents experienced poverty at significantly higher rates than the rest of the population (34.4 percent and 37.4 percent, respectively). Roughly corresponding to social class, poverty hits those with a high school education harder (36 percent), as well as those with a trade school or partial college education (29.3 percent).

While a growing number of workers are falling into poverty, corporate profits and the wealth of the top 10 percent of society have surged. Average corporate profit margins jumped from 9 percent between 2002 and 2019, to 16 percent in 2021. The top 1 percent captured 10.4 percent of all income in 2021, rising to 34.5 percent of all income for the top 10 percent of society. The top 10 percent controls 57.6 percent of all wealth, while the bottom 90 percent splits the remaining 42.4 percent.

Rampant corporate profiteering plays a major role in the cost of living crisis, exemplified by multi-billion-dollar grocery chain Loblaw's 30 percent year-on-year profit increase in 2023. More broadly, the ongoing push by central banks to hike interest rates has caused the price of housing and necessities to soar, while simultaneously prompting mass layoffs of tens of thousands of workers.

The growth of poverty, and the staggering fortunes of the corporations and the rich are not unrelated processes. They arise out of the inner workings of the capitalist system, and political decisions made by all of Canada's major parties, including the Liberals and NDP.

At the same time as the Canadian working class is being made destitute, the Trudeau Liberal government, backed by its union allies and the New Democratic Party (NDP), has made available tens of billions of dollars for war and genocide. More than \$13.3 billion has been funneled to the fascist-riddled Ukrainian regime since the US-incited Russian invasion of Ukraine in February 2022, including \$4 billion in direct military support. The federal Liberal government in Ottawa fully supports the Zionist regime's genocide of the Palestinian population of Gaza.

Canada's military spending, at \$36.3 billion in 2022-2023, is projected to rise to \$51 billion in 2026-2027, as Canadian imperialism prepares to wage war with its US ally against its rivals, chiefly Russia and China. This represents 6.1 percent of fiscal spending. These decisions take place behind the backs and against the wishes of the Canadian population, and all to further the geopolitical interests of the ruling elite.

The inability of a growing number of workers to pay for basic necessities is a direct result of the betrayal of countless workers' struggles over the past several decades, overseen by the trade union bureaucracy and their allies in the NDP. As part of the corporatist Liberal-NDP-union alliance, the unions and NDP mouth empty "progressive" slogans, while selling out workers in struggle and endorsing Canadian imperialism's warmongering. The net result is a decades-long suppression of

the class struggle and a surge in inequality and poverty.

The pro-capitalist union bureaucrats and the NDP, with their supporters in the middle class pseudo-left parties, politically disarm any opposition within the working class that could pose a direct challenge to the capitalist system. When the Liberals move to criminalize strikes or protests that could snowball into a mass movement against capitalism, these organizations feign sympathy for the working class, while instructing them to back down and place their faith in the courts and other institutions of the same capitalist state used to oppress them. This was made evident earlier this year, when the unions endorsed a Liberal-NDP "anti-scab" bill that in reality places ever greater restrictions on workers' right to strike.

The NDP managed to strike a particularly cynical pose in response to the latest poverty report. NDP Food Price Inflation critic Alistair MacGregor declared, "Things have become very discouraging for Canadians – costs are up, and we've got a Liberal government that would rather protect CEO profits over people. And Pierre Poilievre and his Conservatives, who want to make it easier for rich grocery CEOs get richer at your expense."

Nobody can take this bluster seriously, directed as it is against the very same government being propped up by MacGregor and his fellow NDP MPs. The so-called "confidence and supply" agreement in place since 2022 secures the NDP's backing for the Liberals' massive military spending increases, attacks on public spending, and corporate handouts.

The NDP's propping up of the Liberals in parliament and the unions' smothering of the class struggle across the country have created an opening for Poilievre and his hard-right Tories to posture as the real opposition to the political establishment. This explains why all polls indicate that the pro-big business Poilievre would become Prime Minister if elections were held today.



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