



Understanding Poverty in Canada

Good Karma Charity - Informative Brochure on Prevalence, Causes, and Solutions

November 2025

Key Facts

- Approximately 4 million Canadians (10.2% of the population) lived in poverty in 2023
- The 2024 poverty rate is projected to be 10.9%, showing an upward trend since the pandemic low
- Indigenous people experience poverty at nearly twice the rate of non-Indigenous Canadians
- In 2023, 25.5% of Canadians experienced food insecurity—nearly 10 million people

The Current State of Poverty in Canada

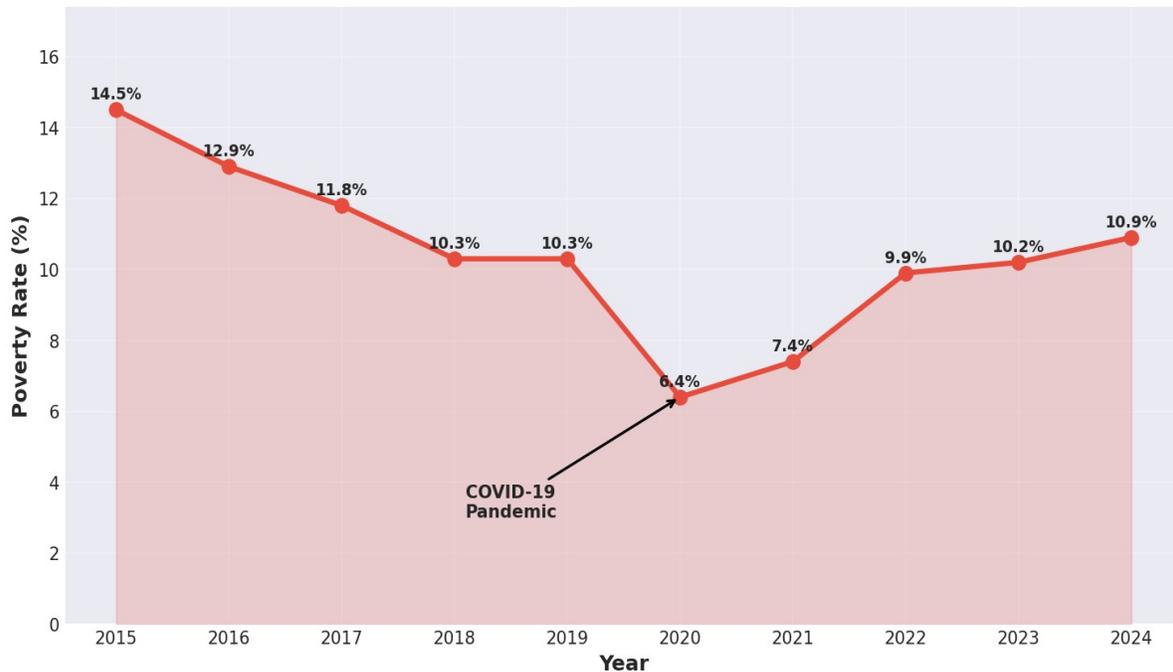
Canada uses the Market Basket Measure (MBM) as its Official Poverty Line, which considers the cost of a basket of goods and services representing a modest, basic standard of living. According to the latest data from Statistics Canada:

- In 2023, 10.2% of Canadians lived below the poverty line—approximately 4 million people
- The 2024 poverty rate is projected at 10.9%, representing an increase from the 2023 rate
- Since 2015, there has been a 32% reduction in poverty, with 1.3 million fewer Canadians living in poverty

Progress and Setbacks

While Canada met its first poverty reduction target of a 20% reduction by 2020 compared to 2015 levels, the poverty rate has increased for three consecutive years since the pandemic low of 6.4% in 2020. The end of temporary COVID-19 support programs, rising inflation, and increasing housing costs have contributed to this upward trend.

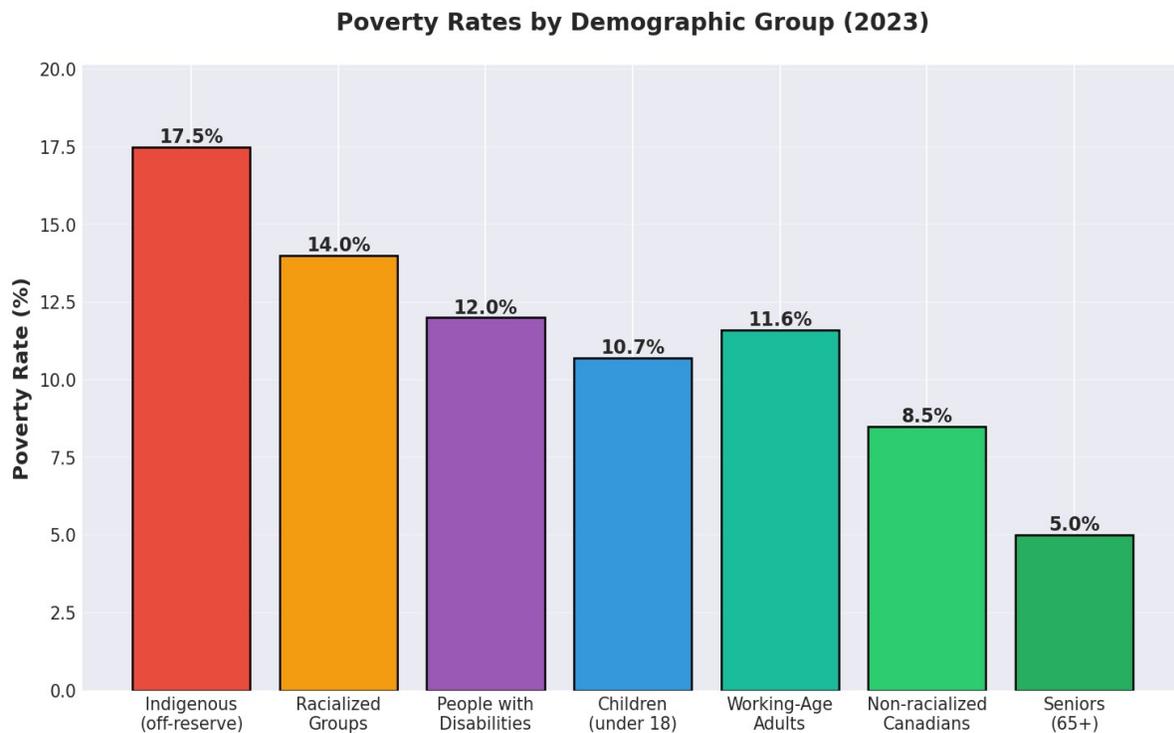
Canada's Poverty Rate Trend (2015-2024)



Who is Most Affected? Demographic Disparities

Poverty does not affect all Canadians equally. Certain demographic groups face significantly higher rates of poverty due to systemic barriers, discrimination, and historical marginalization.

Demographic Group	Poverty Rate (2023)
Indigenous People (off-reserve)	17.5%
Racialized Groups	14.0%
People with Disabilities (ages 15-64)	14.4%
Working-Age Adults (18-64)	11.6%
Children (under 18)	10.7%
Non-racialized Canadians	8.5%
Seniors (65+)	5.0%



Indigenous Communities

Indigenous people face disproportionately high poverty rates rooted in historical colonialism and ongoing systemic discrimination. In the territories, poverty rates are even more severe:

- Nunavut: 44.5% poverty rate (2022)
- Northwest Territories: 17.1% poverty rate (2022)
- Yukon: 12.9% poverty rate (2022)

Children and Families

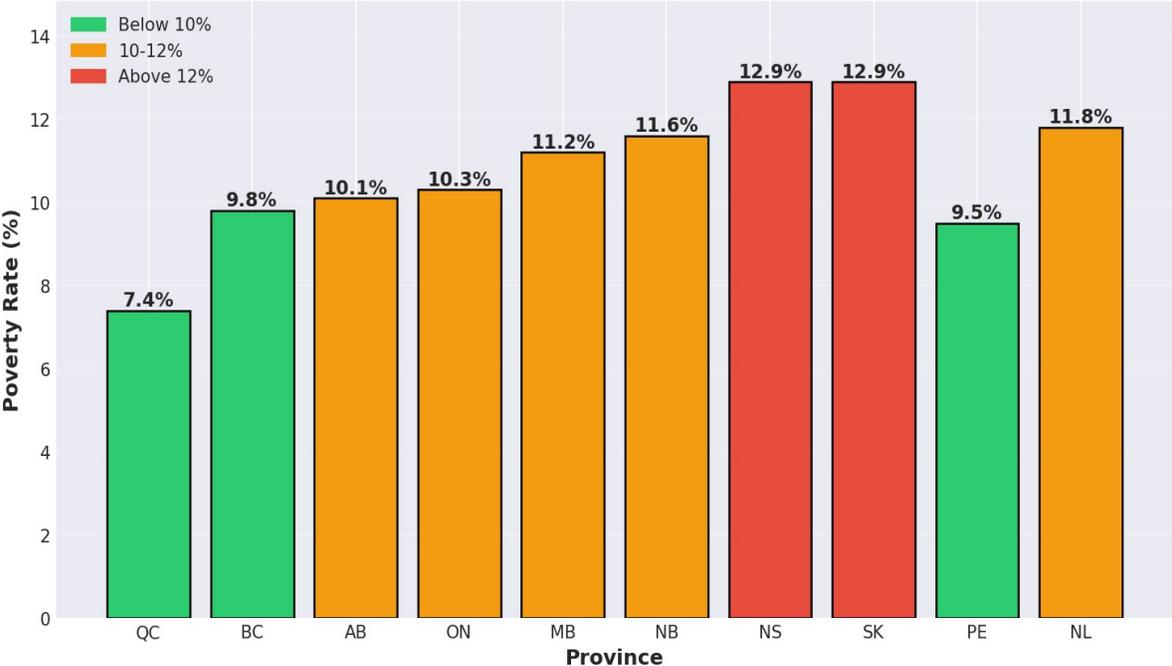
Child poverty remains a significant concern. While the Canada Child Benefit helped reduce child poverty from 13.9% in 2016 to 4.7% in 2020, rates have since climbed to 10.7% in 2023. Indigenous children face particularly high poverty rates:

- First Nations children on reserve: 37.4% poverty rate
- First Nations children off reserve: 24.0% poverty rate
- Inuit children: 19.4% poverty rate
- Métis children: 15.2% poverty rate

Regional Differences Across Canada

Poverty rates vary significantly across provinces, reflecting differences in cost of living, economic opportunities, social programs, and population demographics.

Poverty Rates by Province (2023)



Quebec consistently maintains the lowest poverty rate in Canada at 7.4%, attributed to its comprehensive social programs and lower cost of living in many areas. Conversely, Nova Scotia and Saskatchewan have the highest provincial poverty rates at 12.9%.

Root Causes of Poverty in Canada

Poverty in Canada results from complex, interconnected factors spanning economic, social, and systemic dimensions:

1. Housing Affordability Crisis

Housing has become increasingly unaffordable across Canada, consuming a disproportionate share of household income:

- Among people in poverty, 71.9% spend more than 30% of their income on shelter
- Housing prices increased 355% between 2000 and 2021, while median income rose only 113%
- Over 1.5 million households were in core housing need in 2021
- Loss of affordable rental units outpaces new construction, with 550,000+ units lost between 2011-2021

2. Inadequate Income and Employment Barriers

Many Canadians working full-time still struggle to escape poverty due to low wages and precarious employment:

- In Calgary, there is a \$7/hour gap between minimum wage and a living wage
- Women earn 84 cents for every dollar men earn; the gap is wider for racialized and Indigenous women
- People with disabilities face employment discrimination and barriers to accessibility
- 98% of households receiving social assistance remain below the poverty line

3. Systemic Discrimination and Colonial Legacy

Historical and ongoing discrimination creates persistent barriers for marginalized communities:

- Colonialism and racist policies continue to impact Indigenous communities
- Racialized Canadians face discrimination in employment, housing, and service access
- Recent immigrants face credential recognition barriers and systemic exclusion
- 2SLGBTQIA+ individuals face heightened poverty risk due to discrimination

4. Rising Cost of Living

Essential expenses have increased faster than incomes for low-income households:

- Food costs increased 8.9% annually in 2022
- Shelter costs rose 6.9% in 2022
- Transportation costs increased 10.6% in 2022
- Child care costs often exceed \$1,000 per month despite government programs

The Impact of Poverty on Individuals and Communities

Poverty has far-reaching consequences that extend beyond financial hardship, affecting health, education, social participation, and community well-being.

Food Insecurity

In 2023, approximately 10 million Canadians (25.5% of the population) experienced food insecurity—an increase of 1.3 million people from 2022. This represents the third consecutive annual increase.

- One-third of food bank users are children
- 28.9% of Black households and 28.2% of Indigenous households experience food insecurity
- In Nunavut, 49.4% of households face moderate or severe food insecurity

Homelessness and Housing Insecurity

Housing instability has reached crisis levels across Canada:

- An estimated quarter million Canadians experience homelessness annually
- 235,000 individuals are at risk of homelessness each year
- 58.6% of renters in poverty live in core housing need (2021)
- 35% of people experiencing homelessness identify as Indigenous

Health Impacts

Poverty creates significant barriers to accessing healthcare and maintaining good health:

- People experiencing homelessness are 5 times more likely to die from COVID-19
- Mental health challenges are exacerbated by poverty and limited access to services
- Chronic stress from financial insecurity leads to poorer physical health outcomes
- Lack of coverage for prescription drugs creates medication non-adherence

Educational Barriers

Children growing up in poverty face significant educational disadvantages that can perpetuate intergenerational poverty cycles through reduced access to quality education, learning resources, and opportunities for advancement.

Advocacy Efforts and Path Forward

Multiple organizations and government initiatives are working to address poverty in Canada through policy reform, direct support programs, and systemic change.

Government Initiatives

- Canada's Poverty Reduction Strategy (2018): Set a target to reduce poverty by 50% by 2030 compared to 2015 levels
- National Housing Strategy: Investing in affordable housing construction and rental support
- Canada Child Benefit: Income-tested support that significantly reduced child poverty
- Canada Disability Benefit: New program launching July 2025 to support low-income people with disabilities
- \$10-a-day child care program: Reducing child care costs to improve affordability

Key Advocacy Organizations

Canada Without Poverty	A national human rights organization focused on eliminating poverty
Campaign 2000	Cross-Canada coalition working to end child and family poverty
Maytree	Foundation supporting poverty reduction through research and advocacy
National Advisory Council on Poverty	Federal advisory body providing recommendations on poverty reduction
Food Banks Canada	Network addressing food insecurity across Canada

Priority Actions Needed

Experts and advocates identify several critical areas requiring urgent attention:

- Income Adequacy: Increase social assistance rates and minimum wages to livable levels
- Housing Investment: Significantly expand affordable housing stock and community housing sector
- Indigenous Rights: Address historical injustices and support self-determination
- Anti-Discrimination: Combat systemic racism in employment, housing, and services
- Universal Programs: Implement national pharmacare and expand dental care access

- Employment Standards: Ensure fair wages, secure employment, and workplace protections

Moving Forward Together

While Canada has made progress in reducing poverty since 2015, recent trends show we are moving in the wrong direction. The increase in poverty rates since 2021, coupled with rising food insecurity and housing costs, demands urgent and comprehensive action.

Achieving the national target of a 50% reduction in poverty by 2030 will require sustained commitment from all levels of government, the private sector, community organizations, and individual citizens. Poverty is not inevitable—it is a policy choice that can be addressed through political will, adequate resources, and a commitment to human dignity and rights.

How You Can Help

- Educate yourself about poverty and its root causes
- Support local organizations working on poverty reduction
- Advocate for policy changes at all levels of government
- Challenge stereotypes and discrimination
- Support businesses that pay living wages
- Vote for candidates committed to poverty reduction

For More Information:

Statistics Canada Dimensions of Poverty Hub: www.statcan.gc.ca
Canada Without Poverty: www.cwp-csp.ca
National Advisory Council on Poverty: www.canada.ca/nacp

Data sources: Statistics Canada, National Advisory Council on Poverty, Maytree, Campaign 2000, and Government of Canada reports (2023-2025)