

# Research Bulletin: A Decade of Deep Poverty

**2010–2021**



**Daily Bread**  
Food Bank



## Summary

**Over the course of the past twelve years tracked, the profile of food bank clients has changed little. Multiple reports have shown people who have low incomes access food banks, and people who access food banks have low incomes.**

**Since 2018, Canada has used the Market Basket Measure (MBM) to measure poverty. The MBM costs out what would be needed to sustain a modest standard of living. In Toronto, in 2020, a single person would be defined as living in poverty if they had an income below \$24,720.**

**According to *Who's Hungry 2021*, the median income of a food bank client in Toronto was \$13,272. Those in poverty may fall well below that cut-off point, and so are defined as being (in various degrees of *deep* poverty. This analysis probed these deeper levels and has uncovered three deeper truths:**

## 1. Most food bank users are in the deepest level of poverty:

This multi-year analysis shows:

- Almost every food bank client, through the years lives below the poverty line. In 2021, that number dropped to 97% when food banks faced an influx of people who suddenly found themselves without employment income and/or who were reliant on CoVID payments.
- *More* than nine out of ten (93.8%) people using a food bank since 2010 have been *substantially* below the official poverty line.
- The median monthly income of food bank clients has been 50% *below* the official poverty line (until 2021 when the median incomes rose to \$1,070/month).

In plain language, even if the income of a typical food bank user was *doubled*, their incomes would still be below Canada's Official Poverty Line. It will take a significant intervention to lift food bank users out of the deep levels of poverty they face.

## 2. The large majority of food bank users are reliant on government assistance as their main source of income:

Aggregating the twelve years of data, we see

- 70% of food bank clients below the deep poverty line are on social assistance (Ontario Works or Ontario Disability Support Program).
- Across the years studied, those with the lowest income levels are those who are
  - single-person households and/or
  - those on Ontario Disability Support (ODSP).

Clearly, social assistance rates have not assisted key populations (single adults and those with disabilities) to move out of poverty.

## 3. Almost the entirety of food bank clients reliant on social assistance are in the deepest levels of poverty.

Combining the past 12 years of data, 97% food bank clients on social assistance and using a food bank were living well below both the poverty line and the deep poverty line.

# Why a retrospective?

Each year the sample data from *Who's Hungry* provides a snapshot into hunger in the city of Toronto. In searching for associations, the reliability of the sample is increased with the combined data sets.

A retrospective analysis also provides a time-series analysis over the past decade, tracking against shifts in the local and national political economy. (The recent analysis of food bank visits by Kneebone (2022) provides an concrete example of the power of a longer timeline.)

# What is poverty?

The definition of poverty has always been a matter of academic and legal debate. At its simplest, poverty defined by whether someone has the basic necessities of food, shelter, transportation, medical care, clothing, and other core items needed for basic welfare.

Sometimes poverty is measured relatively, looking at inequality and those at the bottom end of the income and wealth spectrum. Finally, others, including the Daily Bread have argued that poverty has to be measured by more than income. Items such as whether one can afford dental care, clothes for an interview, or event simply to share a meal with others also recognizes an adequate standard of living for all<sup>1</sup>.

In 2018, Statistics Canada adopted the Market Basket Measure as Canada's Official Poverty Line. The MBM is an absolute measure of poverty based on the costs of basic goods and services (food, clothing and footwear, shelter, transportation, and "other goods and services") across 53 Canadian regions. This is a useful approach because it measures the minimum income needed to live a "modest, basic standard of living<sup>2</sup>," and then uses that set figure to compare with what people's reported incomes. The MBM is also the statistical measure identified as the official poverty line in the federal *Poverty Reduction Act, 2019*. The food components of the Market Basket Measure were defined by Health Canada's *National Nutritious Food Basket*.

This common measure has been increasingly important as governments at all levels committed to poverty reduction. In Toronto, in 2020, the MBM was set at \$49,727 for a family of four. (The 2021 income measure will be released early in 2023.)

As governments have moved forward with Poverty Reductions plans and strategies, they have been able to lift children and many seniors out of poverty. Measures, such as increase to the minimum wage, are beginning to ensure that those who are working full-time, full-year are also lifted out of poverty.

# What is deep poverty?

Alongside the various poverty lines, economists and social policy experts have also developed a set of ways to measure the depth of poverty; how far below the official poverty lines are people?

Deep poverty is officially defined by the Government of Canada as 75% of the official poverty line.<sup>3</sup>

<sup>1</sup> <https://news.ontario.ca/en/backgrounder/10102/ontario-deprivation-index>

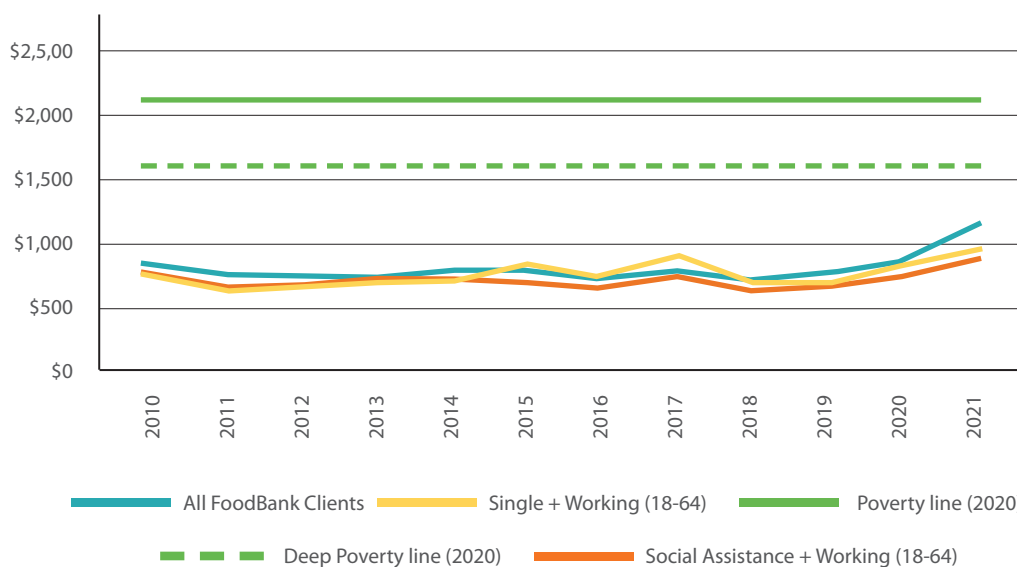
<sup>2</sup> Statistics Canada, Market Basket Measure (MBM), Dictionary, Census of Population, 2021 <https://www12.statcan.gc.ca/census-recensement/2021/ref/dict/az/Definition-eng.cfm?ID=pop165>

<sup>3</sup> <https://www.statcan.gc.ca/en/topics-start/poverty#info-deeppoverty>

This first graph shows the gap between the Market Basket Measure Poverty Line, the Deep Poverty measure, and the incomes of food bank users. In 2020, deep poverty in Toronto equated to any single individual who had an annual salary below \$18,540 (\$1,545/month) and a family of four has an income below \$437,295 (\$3,108/month).

Our analysis tracked the reported incomes of clients through the years. Markedly they are well below both Canada’s official poverty line and below the deep poverty measure.

### Median Monthly Income of Food Bank Clients



Visually, this graph echoes research produced by Maytree Foundation. *Welfare in Canada 2020* (Laidley and Tabbara, p. 100) found that, on an annual basis, unattached single adults were \$8,233 below the deep poverty income line (\$18,542) and \$14,414 below the MBM poverty line (\$24,722). Even doubling the income of these individuals left them well below the poverty line. Those on disability supports fare better because of higher rates but also normally incur additional costs because of their disabilities.

In a very real sense, those in the deepest levels of poverty are unable to access much outside accommodations in the basket of basics which the MBM sets out. That is transportation, clothing, medicine, entertainment/gifts, retirement savings... and food are all unaffordable.

The gap between the lived reality of those relying on food banks and the regulatory poverty measures being used by government is enormous. It is why Feed Ontario refers to social assistance rates as “legislated poverty.”

The remaining core, as this report identifies, are in substantial numbers those who rely on government assistance.

4 Statistics Canada. [Table 11-10-0066-01 Market Basket Measure \(MBM\) thresholds for the reference family by Market Basket Measure region, component and base year](#) sets the reference family income at \$49,727 for Toronto. In deep poverty 37,295

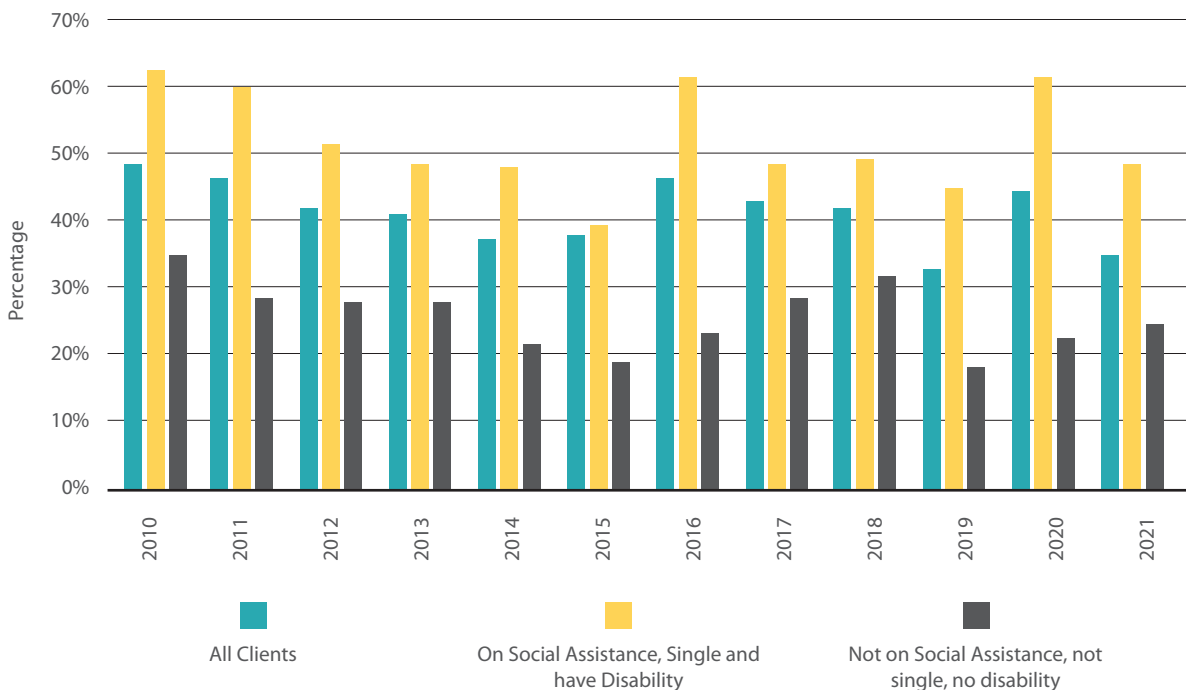
# What is the relationship between Deep Poverty and Food Insecurity?

Much has been made of the fact that food banks only serve a portion of those who face food insecurity. Food insecurity, defined as a spectrum from worrying about having enough money to buy food to going hungry for a day or more, crosses all income bands.

Food banks were established as a stopgap for those who face hunger through the provision of a few days' worth of food. Food banks serve those who often have no other recourse in accessing food for their table. In a practical sense, food banks serve those who have run out of other options. The bald choice is a food bank or hunger.

The stark choice, between hunger or a food bank, shows persistently among those people who visit a food bank. The research indicates serious food insecurity among many, including missing meals to pay for something else or regularly going hungry for a whole day.

**Percentage of Food Bank Clients living under deep poverty line and went a whole day without eating food**

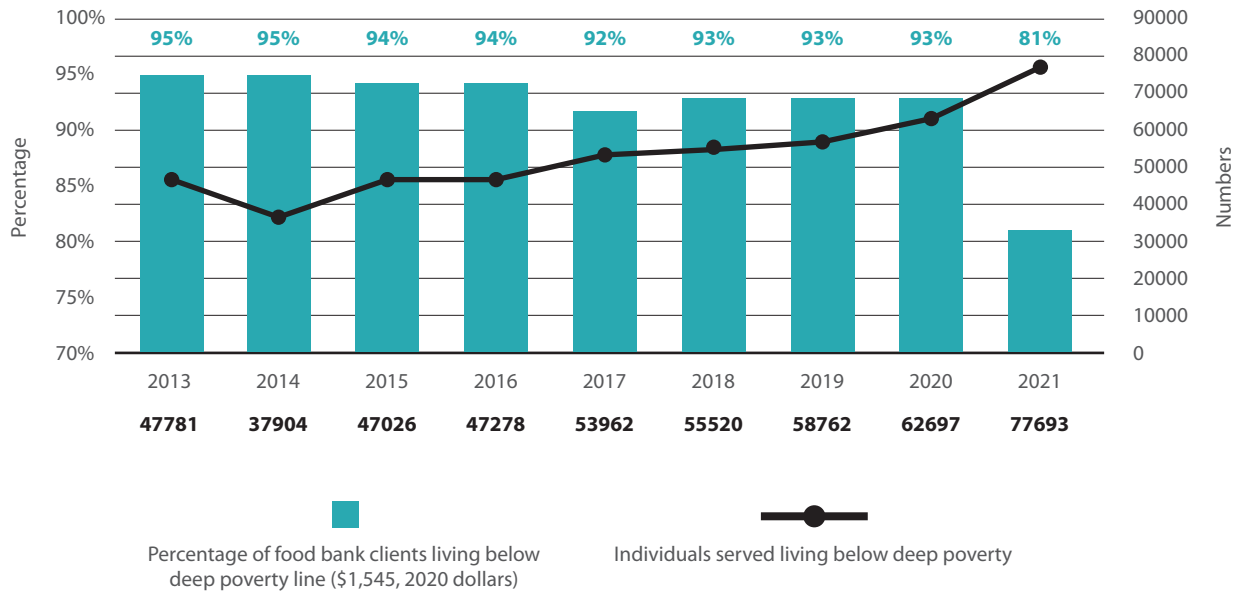


As this analysis shows, chronic hunger is widespread, most particularly among those on social assistance, who are single and/or who have a disability.

# How many food bank clients are in deep poverty?

Simply? From 2010 to 2020, more than nine out of ten food bank users have consistently been in deep poverty. That is, they have household incomes which are *at least* 25% less than the official Canadian MBM poverty line.

**Percentage and number of food bank clients living below deep poverty line**



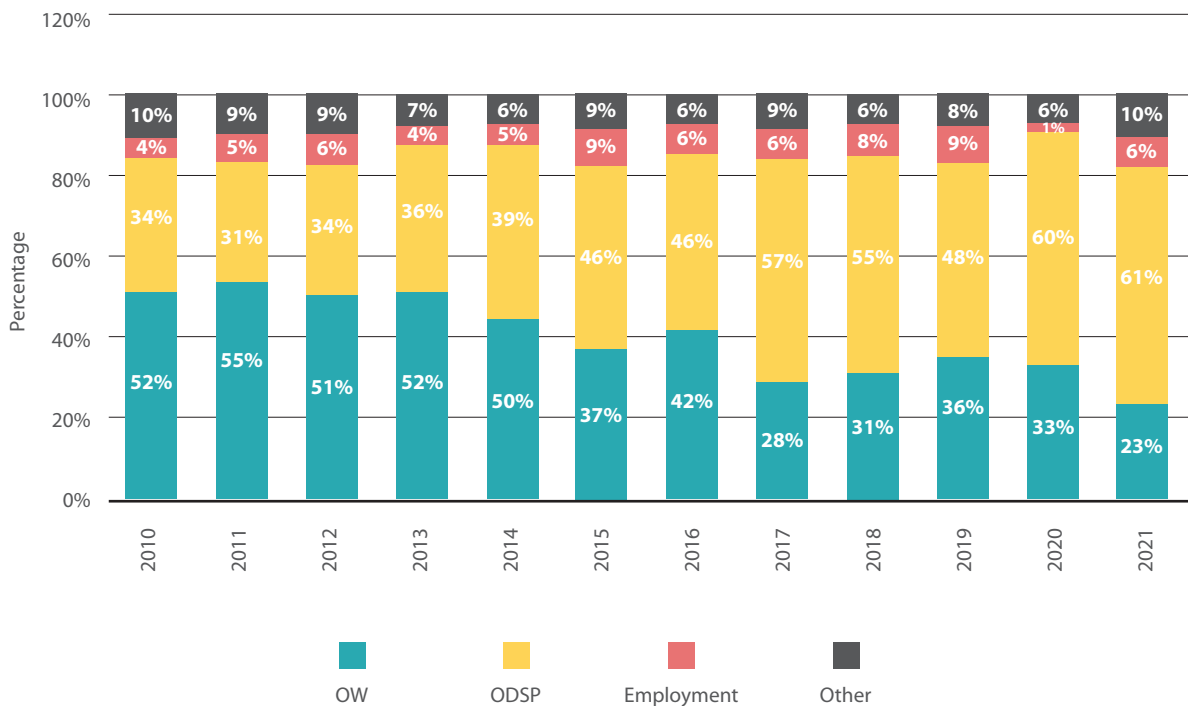
The noticeable drop to 81% in the percentage of people in deep poverty in 2021 is not the result of a change of circumstance for those on social assistance. Rather the portion of those users was swamped by the rapid growth in the overall number of people in poverty visiting food banks in the city, many of whom had been recently employed and had higher incomes before the pandemic hit.

As the number of food bank users has also grown steadily through the years, the actual number of people in deep poverty has also grown. In 2015, 47,026 were in deep poverty. In 2019, the total number of people in deep poverty had grown to 58,762 people. By 2021, this had risen to 77,693 people in deep poverty. More cautiously, is that these numbers are all underestimates as a substantial number of food program do not record individual information.

# Who is in the deepest poverty?

Three populations groups emerge as most likely to be in deep poverty: single individuals, people with disability, and people living on social assistance. This correlation has also been established by other research (Falvo, 2020; Herd et. al., 2020).

**Primary income sources of single working age food bank clients (18-64) living below the deep poverty line**



## Disability

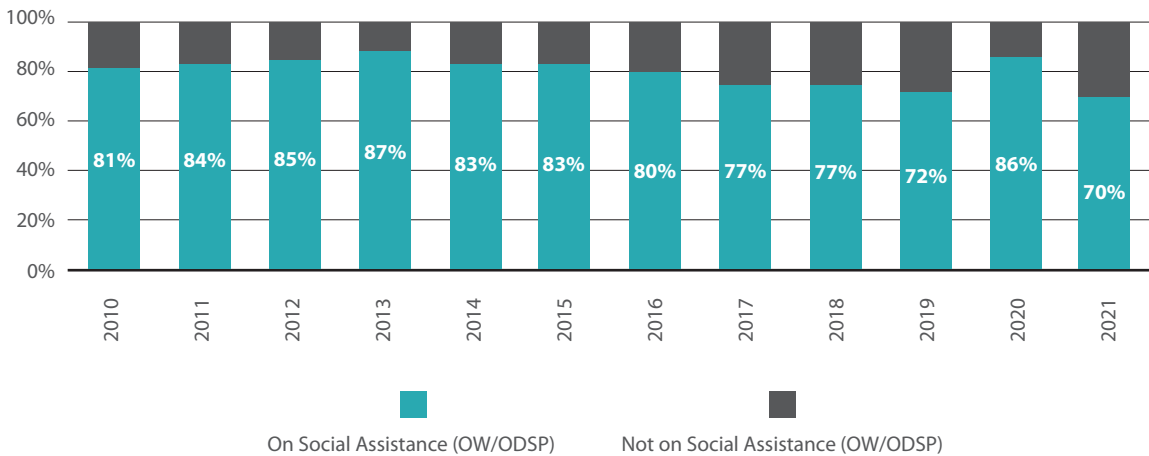
Across the years, the large majority of those with a persistent disability are in deep poverty.

Almost half of food bank users report having a disability. Of those, half of them relying on ODSP as their main source of income. As ODSP rates are low, 94.5% food bank users on ODSP, through the years, would be considered in deep poverty.

Those others who report having a disability but who are not on ODSP are most likely to be on OW. OW rates are even lower and so those relying on it are even further below the deep poverty line.



## Primary income source for food bank clients with a disability and living below deep poverty



Among food bank users in the past eight years, a majority of them have reported having a disability in every single year. From 2010-2015 the percentage of food bank clients with disability that were living in deep poverty was slowly increasing, from 46% to 51%. There was a sharp increase in the number of people living with disability living in deep poverty from 2015 to 2018, going from 51% to 65%. From 2018 to 2020, that percentage has decreased from 65% to 59%.

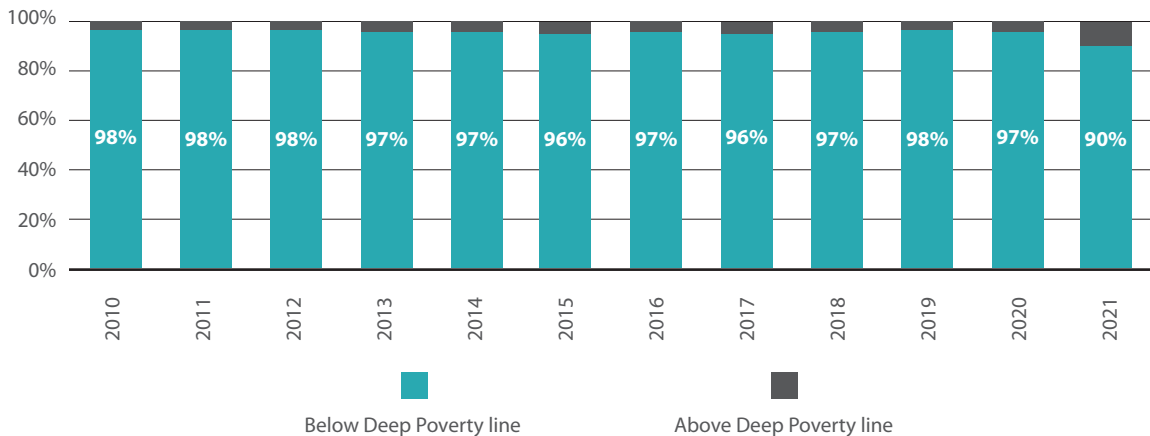
## Percentage of food bank clients with disability who are living in deep poverty as a portion of all

Year	Percentage of Food Bank Client <b>with Disability</b> Living in Deep poverty	Percentage of Food Bank Client <b>without Disability</b> Living in Deep Poverty
2010	46%	54%
2011	45%	55%
2012	46%	54%
2013	47%	53%
2014	50%	50%
2015	51%	49%
2016	61%	39%
2017	65%	35%
2018	64%	36%
2019	60%	40%
2020	59%	41%
2021	53%	48%

# Social Assistance

In 2021, 84% of single working-age food bank users reported their main income source was social assistance. This is the same ratio as 2019, pre-pandemic. (It is worth noting that social assistance recipients may also identify other sources of income, for which they may face deductions from Ontario Works or Ontario Disability Supports.) Uniformly though, those who reported relying on social assistance were in deep poverty.

**Percentage of food bank clients on social assistance who are living below or above Deep Poverty Line**



Flipping the comparisons, shows a similar negative pattern around social assistance. Most people in deep poverty are on social assistance.

**Percentage of food bank clients living below the deep poverty line whose primary income is social assistance**

Year	Percentage of Food Bank Clients <b>on Social Assistance</b> Below Deep Poverty Line	Percentage of Food Bank Clients <b>Not on Social Assistance</b> Below Deep Poverty Line
2010	73%	27%
2011	71%	29%
2012	73%	27%
2013	73%	27%
2014	71%	29%
2015	70%	30%
2016	70%	30%
2017	69%	31%
2018	72%	28%
2019	64%	36%
2020	72%	28%
2021	52%	48%



# When people are poor, we all bear the costs.

For more than a decade, health professionals and researchers have documented the negative and compounding effects of poverty on those with low and very low incomes<sup>5</sup>. This results in premature mortality, additional burdens on the health system, deteriorating long-term health conditions and effects on mental health and addictions so that ODSP supports are required.

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<sup>5</sup> Fitzpatrick, et. Al. *Looking beyond Income and Education: Socioeconomic Status Gradients among Future High-Cost Users of Health Care*, American Journal of Preventative Medicine, Vol. 49, Issue 2, August 2015; Community Social Planning Council of Toronto, et. al. *Sick and Tired: The Compromised Health of Social Assistance Recipients and the Working Poor in Ontario*. University of Toronto Social Assistance in the New Economy, CSPCT, and Wellesley Institute, February 2009.

## How is 2021 different?

When the pandemic hit, people who never thought they would need to rely on a food bank turned to the network of them across the city. Neighbourhood-based mutual aid groups appeared, and groups self-organized to deliver food to those most vulnerable to the virus.

Daily Bread saw a rise in new clients, especially among seniors and among those whose main source of income was employment. Simultaneously, the province saw a decline in its social assistance caseloads, as fewer newcomers were admitted into the country and as more people were able to access COVID-related benefits.

So, the pool of food bank users changed, becoming more diverse, including many people beyond those who are relying on social assistance. These shifts affect some overall trends but do not diminish the fact that the vast majority of food bank users are in deep poverty and so resort to a food bank.

## What does the future signal?

We face still an unsettled year. Food bank visits continue to climb to record numbers. The dominant stressors include the dramatic rising costs of food, fuel, and housing. The pandemic continues to strain community resources and supports.

The recent federal election and the provincial and municipal elections this year offer a potential reset through new government priorities and programs.

The federal government is advancing its national housing strategy as part of a federal Poverty Reduction Strategy. It has been making strides around housing investments and incentives, housing benefits and supply. We are seeing some results are some improvements around poverty levels.

The Ontario election opened a new provincial session with promises to reform and improve social assistance. The re-elected Conservative government has faced public pressure to strengthen the social safety net. The call to double the social assistance rates by a broad coalition of people on social assistance, health professionals and the wider community has gained some traction. As this report shows, the provincial government's budget commitment of a 5% hike to ODSP recipients in September 2022 will still leave most people far below the poverty line: Ontario Works recipients will still be \$812/month below the *deep* poverty line; ODSP recipients will be \$318/month below the *deep* poverty line. Neither group's incomes will reach the official poverty line.

In contrast, the provincial decision to index ODSP will ensure that future hikes do not deteriorate into a debate over the worthiness of the government expenditure. The de-politicization through annual inflationary adjustment of future hikes is laudable. Only two other provinces, New Brunswick and Quebec, have done the same (Laidley and Tabarra, p.13).

However, no similar inflationary protection has been taken regarding those living on Ontario Works, rates which are about 1/3 less than then ODSP.

Toronto City Council faces the electorate this coming fall. In 2015, Toronto adopted a multi-year Poverty Reduction Strategy on a unanimous vote. Since then, it has made some limited improvements for low-income city residents, mainly around reduced TTC fares for those receiving social benefits. Additional efforts have been focused on amplifying the voices of those with lived experience and improving system transparency around access to benefits. Progress has also been slowed by the City's own limited capacities and parochial power structures.

During the height of the pandemic, we saw how municipalities were able to mobilize and respond to the crisis. The City has also forged slowly forward on housing, providing land, prioritizing Rapid Housing initiatives, and working with other orders of government to address the root causes of housing affordability and homelessness. Progress has been slowed by its own limited capacities and parochial power structure.

What has been hopeful is the continued calls for justice, inclusion, and a fundamental redress to change the systemic systems which leave so many behind.

## Food Banks are not the solution; Governments are

### **We know these two things:**

**First** and most clearly, those on social assistance have been left in the deepest poverty. This data, year over year from food bank users, dates back to 2010 and is unvarying. The provincial social assistance rates leave more than 800,000 Ontarians hundreds of dollars behind every month.

The Poverty Line is more than a statistical device or a mathematical cut-off point which we use to identify a portion of the population to be labelled as “the poor.” Rather, the poverty line is the evidence-based income line of what we know is needed to be able to afford the basics of shelter, clothing, food, transportation, and other essentials (like medicine, phone, and childcare). The Poverty Line is the measurable income point where one can survive without needing recourse to charity, or worse, do without these basics.

**Second**, Daily Bread recognizes, operates, and advocates based on the internationally adopted Right To Food. That right infers that our governments have the duty to ensure that nobody is in poverty. Recent Canadian history offers good case examples: groups, such as seniors and low-income families, have been lifted above the poverty line with targeted programs. Within this past two years, CERB has demonstrated the substantial and pivotal impact government policy decisions have around food security. Government policy made these differences.

When people are left to live below the poverty line, it means that governments have failed in their duties to all of us. No one should have to rely on food banks for their survival. Together we must address the persistent poverty our neighbours face.

# References

Falvo, Nick. *Single Adults struggling to break out of Deep Poverty*. Healthy Debate. Dec. 28, 2020 <https://healthydebate.ca/2020/12/topic/single-adults-deep-poverty/>

Herd, Dean, Yuna Kim and Christine Carrasco, *Canada's Forgotten Poor? Putting Singles Living in Deep Poverty on the Policy Radar*. Institute for Research on Public Policy. Sept. 15, 2020 <https://irpp.org/research-studies/canadas-forgotten-poor-putting-singles-living-in-deep-poverty-on-the-policy-radar/>

# Acknowledgements

Data Analysis: Anwaar Baobeid

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Advisors: Mohy Tabbara, John Stapleton

# Methodology

The median monthly incomes are adjusted based on the OECD equivalence scale, a method that takes into account the varying sizes of all households by dividing a household's income by the square root of the size of the household. They are also adjusted for inflation to 2020 dollars.

As the income was adjusted for inflation to the 2020 constant dollars, the 2020 MBM threshold was used to determine the percentage of food bank clients above or below the MBM poverty threshold, adjusted for household size.

*Year after year, Daily Bread / North York Harvest's Who's Hungry reports have tracked the incomes and socio-demographics of those in the city who have to use food banks. This new series of research bulletins analyses data collected from cumulative Who's Hungry reports, aggregating data from 2010 forward. This 12 years of collected data maps client demographics, levels of food insecurity, health, income, and expenses. This report series offers insights into the deeper systems bringing people to food banks.*

**This first research bulletin dives into the data to look at those in the deepest poverty. The analysis presents a sobering depiction of those in the deepest poverty around us.**



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