

Rebuilding a Stronger, More Resilient Canada: Lessons Learned from COVID-19 and Recommendations for Recovery

The crisis brought on by COVID-19 has been unprecedented in Canadian history. With no vaccine yet available, our path to economic recovery is unlike that of a normal recession. The risk and uncertainty felt by Canadians is likely to continue, as will the strain on our essential workers—including health workers on the front lines but also the workers who we are now acutely aware are essential, such as childcare workers, delivery drivers, grocery store clerks, cleaners, and many more.

The virus has followed patterns of inequity that were already deeply ingrained within our communities and institutions. While COVID-19 has led to extraordinary social solidarity, creative cross-sectoral problem-solving, and rapid inter-governmental and community responses, it has also brought cracks in our system into stark relief amid our emergency responses. A robust economic recovery must build from the lessons we have learned during this crisis. The sacrifices made by marginalized communities and essential workers, many of them in low-wage and precarious work, deserve an economic recovery built from the ground up.

1. PRIORITIZE POVERTY REDUCTION: EXTEND AND ENHANCE INCOME SUPPORTS

In 2019, there were over 1 million monthly visits to food banks across the country. Despite the economy being strong, the available income supports were failing to enable people to be able to purchase the most basic of human necessities. COVID-19 has made it increasingly apparent that the inadequacy of these supports can also result in increased health risks for people with low incomes.

In our 2019 *Who's Hungry* survey of food bank clients in the Toronto region, respondents had a median monthly income of just \$806, less than half (46%) of the Market Basket Measure. This deep poverty has made it difficult to adhere to basic public health guidelines, and data has now revealed that lower-income Toronto neighbourhoods have faced higher rates of infection.¹ Layered on this risk is systemic inequity: our research demonstrates that racialized communities are over-represented among food bank respondents, as are immigrants and people with disabilities²—disabilities that often make clients more vulnerable to a greater severity of COVID-19.

COVID-19 has also revealed the fragility of gains made under the Poverty Reduction Strategy. In 2019, one in three Canadians did not have enough savings to cover three months' worth of expenses,³ which has made the Canada Emergency Response Benefit (CERB) absolutely essential in flattening the economic impact of COVID-19 and preventing strain on community supports even beyond what we have felt thus far.

In order to continue to support and protect low-income households as we move into recovery, we need to make poverty reduction a key component of economy recovery by extending emergency measures and transitioning to stronger systems of social and economic security.

¹ Toronto Public Health (2019). *COVID-19 and the Social Determinants of Health: What Do We Know?* Retrieved from: https://www.toronto.ca/wp-content/uploads/2020/06/9872-SDOHandCOVID19_Summary_2020June8.pdf

² Daily Bread Food Bank (2019). *Who's Hungry 2019*. Retrieved from: <https://www.dailybread.ca/research-and-advocacy/whos-hungry-report/>

³ Statistics Canada (2019). *Canadians and their Money: Key Findings from the 2019 Canadian Financial Capability Survey*. Retrieved from: <https://www.canada.ca/en/financial-consumer-agency/programs/research/canadian-financial-capability-survey-2019.html>



- Before COVID-19 hit, food bank use had already increased by 7% in 2019. Demand has unsurprisingly surged since: compared to February, we have seen a 35% spike in food bank use.⁴ While emergency responses like CERB, eviction freezes, and utilities deferrals have helped to stabilize further economic fallout, economic vulnerability remains high. All levels of government must extend emergency responses well into the recovery to protect Canadians from new outbreaks and to ease people into a fully reactivated workforce.
- COVID-19 has reminded us that a crisis response is costly and inefficient. While the flexibility demonstrated by the CRA in delivering CERB has been remarkable, it has simultaneously revealed that our EI system does not fit the modern workforce. It is more important than ever to transform EI into an effective income security system to support people from falling into persistent poverty. This will create a more durable long-term recovery for the country as a whole and align with the national Poverty Reduction Strategy.

2. INVEST IN A NEW MIDDLE CLASS: HOUSING AND THE CARE ECONOMY

For most food bank clients in Toronto, the middle class is out of reach. Respondents to our Who's Hungry 2019 survey spent a median of 74% on rent and utilities—well beyond the 30% deemed affordable by the Canada Mortgage and Housing Corporation (CMHC)—leaving little opportunity to save or to contribute to the economy in a significant manner.⁵ This struggle with housing affordability is not unique to food bank clients: 14% of Canadians in urban settings are in core housing need, a number that climbs to 20.7% in Toronto.⁶ Eviction freezes have been necessary to maintain housing during COVID-19, but the security and stability of this housing as we re-open our economy must be considered.

In the face of high costs of living, employment has too often failed to provide a pathway out of poverty. Who's Hungry 2019 revealed that approximately one in four food bank respondents aged 18-64 were working. Most of these individuals reported earning low wages, lacking full-time hours, and not receiving employer benefits.⁷ COVID-19 has disproportionately affected hourly and low-income workers. The 38% decline in employment for low-wage workers through March and April, compared to 12.7% for other employees, demonstrates that there is a clear need to provide more stable employment to our marginalized workers.⁸

- With low interest rates and an impending need for job creation, now is the time to make a long-term investment in Canadians' right to housing. The creation of permanently affordable housing through the building of public and community housing would create immediate jobs while stable long-term investments in a national housing system would create more sustainable spaces for our communities to flourish. In the short term, providing funding to provinces/municipalities to tackle the backlog of public housing repairs would again provide employment opportunities and immediately improve living conditions. Other physical and social infrastructure, including transit and childcare systems, would further strengthen this new middle class and create stronger, more resilient communities.

⁴ Daily Bread Food Bank (2020). Internal data.

⁵ Daily Bread Food Bank (2019). *Who's Hungry 2019*.

⁶ Canada Mortgage and Housing Corporation. *13.6% of Urban Households Were in Core Housing Need in 2016*. Retrieved from: <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2018-housing-observer/13-point-6-percent-urban-households-were-core-housing-need-2016>

⁷ Daily Bread Food Bank (2019). *Who's Hungry 2019*.

⁸ Statistics Canada (2020). *The Daily: Labour Force Survey, May 2020*. Retrieved from: <https://www150.statcan.gc.ca/n1/daily-quotidien/200605/dq200605a-eng.htm>

- As part of the long-term thinking necessary in our economic recovery, we must recognize the sacrifices made by care workers during this crisis. Care work—the essential work that provides supports to our children and elderly as well as vital services for community development and growth—is often low-status, underpaid, and occupied by more marginalized communities. Investing in childcare, long-term care, education, mental health, and community service sectors not only rewards the sacrifices made by these essential workers but creates a wider base for a renewed middle class.

3. DEMONSTRATE FEDERAL LEADERSHIP: BUILD AND PROTECT PUBLIC SERVICES

The federal government's willingness to work with provinces during this crisis has been laudable, but as the crisis wears on, gaps in funding and revenue sources have revealed a lack of capacity to maintain basic services during a prolonged crisis. Our largest cities are facing insurmountable deficits while our provinces are spending money they don't have to provide services that can't meet demand. Food banks across Canada, including the Daily Bread Food Bank, have worked closely with municipalities in coordinating food access during COVID-19, but we cannot sustain these services unless our municipal governments have appropriate resources and stability.

- The federal government has taken a first step in funding municipalities, but with an estimated near-term gap of \$10-15 billion, there is considerable work to be done if cities are to maintain the frontline services that are especially important to low-income and other marginalized communities.⁹ Aside from direct funding, developing national housing, childcare, and pharmacare systems would each reduce the fiscal burden on provinces and municipalities, while a modernized EI system attuned to the realities of precarious employment would return social assistance to a system of last resort.

An economic recovery centred on income security, affordable housing, and the care economy will create a wider economic base and more resilient communities. This is Canada's opportunity to rally around our essential and frontline workers, and to recognize the sacrifices disproportionately borne by our marginalized communities. The moment demands it: across the country, people have stepped up to help their families, their neighbours, and their wider communities. Let's harness this social solidarity and build for a future we all believe in.

⁹ Canadian Federation of Municipalities (2020). *Protecting vital municipal services*. Retrieved from: <https://data.fcm.ca/documents/resources/reports/protecting-vital-municipal-services.pdf>

