



Poverty Trends Scorecard

Fact Sheet Series

Making Ends Meet

December 2013

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“Making Ends Meet” is the fourth report in the *Poverty Trends Scorecard* series. Visit www.cpj.ca to learn more about the *Scorecard* and about Citizens for Public Justice, an organization inspired by faith to work for justice in Canadian public policy.

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Introduction

Making Ends Meet

In 2009, Citizens for Public Justice (CPJ) launched the *Bearing the Brunt* project to capture and track the impact of the recession on Canadians and their families. Evidence from previous recessions demonstrated that economic downturns can have a long-term detrimental impact as good jobs are lost and governments cut back community supports and services. Economic and social divisions become entrenched. The bonds that hold communities together weaken. The most vulnerable are left behind.¹

As part of the *Bearing the Brunt* project, CPJ released a *Poverty Trends Scorecard* in 2010 that highlighted poverty trends and several key factors related to family economic security. The *Scorecard* was based on a detailed research study called *Bearing the Brunt: How the 2008–2009 Recession Created Poverty for Canadian Families*.

Updating the *Poverty Trends Scorecard* affords an opportunity to not only assess how well Canadian families have done since the onset of the recession, but to turn our attention to today's pressing problems.

The new *Scorecard* is organized around an expanded set of themes and indicators, based on the framework developed in 2010. This framework speaks to

current trends influencing family economic security, highlighting the impact of growing income and wealth inequality and the high cost of poverty. The *Scorecard* is divided into four theme areas: Poverty Trends; Income, Wealth, and Inequality; Labour Market Trends; and Making Ends Meet. A set of fact sheets has been prepared for each theme area, summarizing key trends through tables, charts, and narrative.

The goal of the *Scorecard* initiative is to create an accessible suite of materials that will support national and community-level anti-poverty work, including CPJ's own outreach and engagement activities, and those of *Dignity for All: The campaign for a poverty-free Canada*.

Making Ends Meet makes the case that significant action is needed to assist those struggling with the high costs of essential goods and services in Canada. A comprehensive anti-poverty action plan would include both measures to strengthen income security programs as well as investments in supports and services such as affordable housing; programs to facilitate access to healthy and affordable food; and assistance for low-wage, precarious workers seeking better-paid, long-term employment.

Poverty Trends Scorecard Project (Fact Sheet Series)

- “Poverty Trends Scorecard – Canada 2012” (October 2012)
- “Income, Wealth, and Inequality” (April 2013)
- “Poverty at Your Doorstep” Series (Montreal, Toronto, Hamilton, Winnipeg, Vancouver)
- “Labour Market Trends” (July 2013)
- “Making Ends Meet” (December 2013)

Making Ends Meet

Summary

Four years after the recession, the economic recovery remains modest and Canadians continue to report high levels of uncertainty about the future. The number of jobs has been increasing, notably in the past year. But employment gains have not kept pace with population growth and the trend towards temporary, contract and self-employment continues. Too often, those searching for work face a stark choice between precarious work – at lower levels of pay – or no work.

In the face of economic uncertainty and stagnant incomes, Canadians are working hard to keep up with rising living costs, many turning to food banks and credit cards to make ends meet. Low-wage workers are in an especially difficult position as their incomes fall well short of what is needed to purchase nutritious food, shelter, transportation, and other basic necessities of life. Minimum wages, for example, are currently set at roughly 35% to 50% of the provincial average hourly wage in various provinces across the country.

The high cost of housing in particular is a significant stress. In cities such as Vancouver and Toronto, homeownership is beyond the means of many. As a result, the demand for affordable rental units remains high, driving up housing costs among renters as well. Newfoundland, Manitoba and Saskatchewan have experienced the most significant increases in the cost of rental housing in recent years.

According to the 2011 National Household Survey, 3.3 million households – fully one-quarter of the total number – spent more than 30% of their annual income on shelter, a level the Canadian Mortgage and Housing Corporation (CMHC) considers “unaffordable.” Over 60% of these households had total incomes below \$30,000 per year.

Creative solutions in Canadian communities have started to increase the supply of affordable housing and needed support services – but demand is great and the waiting lists for subsidized housing are long. On any given night, 30,000 people are homeless, lodging in shelters or temporary institutional accommodations (such as hospitals), or sleeping outside. In addition, an estimated 50,000 are the “hidden homeless,” individuals and families who move from place to place, “couch surfing,” or who are staying in other short-term housing arrangements.

The surge in food bank use is another sign of economic stress since the recession in 2008–2009.

“Food Banks Canada’s Hunger Count 2013 reveals that **834,000** people turned to food banks or an affiliated food program in March 2013.

Food insecurity is particularly acute in northern and remote Aboriginal communities. For example, the Nunavut Inuit Child Health Survey found that nearly 70% of Inuit preschoolers aged three to five years reside in food insecure households.

While food banks were originally intended only as temporary stop-gap measures, they have become entrenched community institutions in the absence of coordinated efforts to eliminate poverty. Food Banks Canada’s *Hunger Count 2013* reveals that 834,000 people turned to food banks or an affiliated food program in March 2013. This represents a decline of 4.5% from 2012, but still a 23% increase over the same period in 2008.

Education has the potential to overcome intergenerational cycles of poverty. Yet, as Canadian neighbourhoods have been increasingly polarized along income lines, the promise of education has become harder to fulfill. Fees for education and educational supplies have been trending upward for over a decade as educational budgets across the country have been cut. The cost of post-secondary education in particular now deters many low- and middle-income Canadians from pursuing higher education.

The combined impact of low family income, rising educational costs, and limited access to extracurricular activities and recreation create barriers to educational success for children and youth living in low-income families, the harmful impact of which lasts a lifetime.

Canada’s response to the stress and challenge of living on insufficient incomes has fallen considerably short of the mark. The introduction of homelessness strategies in selected communities shows that

progress is possible when public, private and nonprofit partners come together around a common vision and commit the time, resources and political capital necessary to affect change. At the same time, as Food Banks Canada notes, “We are at a point where the welfare office refers people to the food bank rather than provide emergency funds. [...] To deny this is a crisis, or to believe this is the best way to address poverty and food insecurity, is to deny reality.”³

This report makes the case that significant action is needed to address the high cost of essential goods and services and the root causes of poverty. A comprehensive anti-poverty action plan would include a suite of policies and programs that both strengthen income security programs and invest in critical supports and services for low-income people, such as affordable housing, programs that facilitate access to healthy and affordable food, and assistance for low-wage, precarious workers.

Making Ends Meet Indicators, 2008-2012

	2008	2009	2010	2011	2012	Trend: 2008-2012	Trend: 2008-2012
Consumer Price Index (annual % change)							
All items	2.3	0.3	1.8	2.9	1.5	6.7	▲
Food	3.5	4.9	1.4	3.7	2.4	13.1	▲
Shelter	4.4	-0.3	1.4	1.9	1.2	4.2	▲
Energy	9.9	-13.5	6.7	12.3	1.7	5.4	▲
Health and personal care	1.4	3.0	2.7	1.7	1.4	9.1	▲
Education	2.9	3.7	4.0	3.8	3.7	16.0	▲
Expenditures Trends of Poorest 20% of Households (annual % change)							
Food				-7.5			
Shelter				0.3			
Household expenses				4.8			
Clothing and accessories				-7.9			
Transportation				1.2			
Health and personal care				-5.5			
Recreation				-4.8			
Education and reading				13.7			
Wage and Income Trends (annual % change)							
Average hourly wages (%)	4.4	3.4	2.2	2.0	2.9	4.0	▲
Average weekly earnings (%)	4.2	2.8	2.1	2.4	3.2	3.8	▲
Average household after-tax income (%)	1.3	0.3	0.2	0.0	na	0.5	▲
Average household after-tax income of poorest 20% of households (%)	2.7	0.0	-2.0	0.7	na	-1.3	▼
Housing							
Housing affordability (% spending 30% or more of total income on shelter)				25.1			
Couples with children				16.4			
Lone-parent families				36.3			
One-person households				41.4			
Average rent for 2 bedroom apartment, October (constant 2012\$)	848	864	871	866	875	3.2	▲
Vacancy rate, October (%)	2.3	3.0	2.9	2.5	2.8		▲
Education							
Average undergraduate fees (constant 2011\$)	5,656	5,827	6,107	6,039	6,254	10.6	▲
Food / Hunger							
Food bank users (#)	675,735	794,738	867,948	861,775	882,188	30.6	▲

Note: In 2010, Statistics Canada introduced a new methodology for gathering information on household spending. As a result, it is not possible to examine spending patterns over time – that is, to examine a period of time earlier than 2010. As well, please note that the indicators on housing affordability are based on the National Household Survey which is fielded every five years.

Fact Sheet #1

Rising costs of living are a perpetual struggle for low-income families

Four years after the recession, the economic recovery remains modest. In the face of stagnant incomes, Canadians continue to work hard to keep up with rising costs of basic goods and services. Rapid globalization and increased trade have driven down the cost of some goods and services like electronics and clothing. At the same time, these economic forces fuel the destruction of middle-income jobs, swelling the ranks of low-wage workers and the unemployed, and thereby creating higher levels of income inequality in Canada. Too often, poor and modest-income families face untenable choices – buy food or heat the home, feed the children or pay the rent.

Shelter and transportation are the most expensive budget items

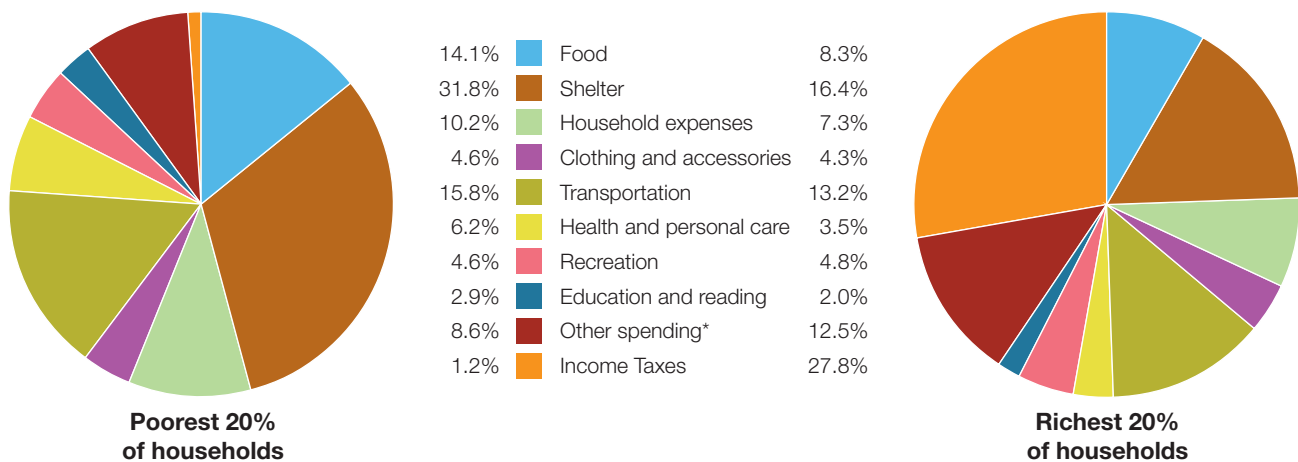
- Statistics Canada’s new Survey of Household Spending (SHS) provides an important snapshot of spending patterns. Altogether, average spending among all households (including individuals and families) totalled \$73,457 in 2011, up 3.1% over 2010. Three-quarters of this amount (75.1%) was spent on goods and services, while an average of 16.7% was dedicated to income taxes.⁴ (Please see the Appendix for more information on the SHS.)
- On average, food, shelter, and clothing accounted for just over one-third (35.9%) of household spending at 10.6%, 20.7%, and 4.6%, respectively. Transportation represented 15.3% of the average household budget.

Rising food and energy costs are driving changes in the cost of living

- Higher food and energy prices have driven up the cost of living in the past few years. Food prices have exceeded average inflation in last four out of five years. And with the exception of 2009, rising gas prices and maintenance costs have increased the price of transportation.⁵
- Similarly, higher tuition and schooling fees (from kindergarten through to post-secondary) are behind higher household expenditures on education. Over the last 12 years, the cost of education has grown by an average of 4.0% annually.⁶

Poor households spend more of their income on basic needs

Distribution of spending among households at the top and bottom of the income ladder, 2012



Source: Statistics Canada, 2011 Survey of Household Spending, CANSIM Table 203-0022

* Including insurance and pension contributions, alcohol and tobacco, gifts of money, miscellaneous spending, and games of chance. Note: For a list of expenditure categories and definitions, please see the Appendix.

Among poor households, the high cost of shelter crowds out other essential spending

- The spending disparity between Canada's richest and poorest households is commonly referred to as the affordability gap and speaks to the tendency among poor households to forego certain purchases that might otherwise be considered essential.⁷
- In particular, the high cost of food and shelter seriously limits poor households' ability to afford other basic goods and services. In 2011, the poorest 20% of households spent one-third (31.8%) of their total incomes on shelter, while shelter represented only one-sixth of the incomes of the richest 20%.⁸
- According to the 2011 Survey of Household Spending, poor households are much less likely than wealthy households to purchase goods and services such as dental care, child care, and post-secondary education, or to own computers or cell phones. And, they are much more likely to cut back spending on the purchase of food and health care.⁹ (See Table: Average Expenditures by Quintiles, p. 17.)

Wage gains are failing to keep pace with rising prices

- Between 2008 and 2011, consumer prices rose by 5.1%.(footnote 10). But the average earnings of Canadian workers actually fell over this period by 1.2%, while the earnings of full-time, full-year workers were down by 0.5%.¹¹
- Low-wage workers are in a particularly difficult position as their incomes fall well short of what is needed to purchase nutritious food, shelter, and other basic necessities of life.¹²
- Minimum wages, for example, are currently set at roughly 35% to 50% of the provincial average hourly wage – typically above the after-tax low income cut-off threshold for a single person in most provinces, but considerably below the threshold for a family.¹³
- For many middle- and lower-income households, yearly expenditures exceed annual income. When this happens, families must either borrow and/ or dispose of assets to make up the shortfall. The massive run-up in Canadians' debt-to-income ratio in recent years forecasts serious problems ahead.¹⁴

Minimum Wage and Average Hourly Earnings, by Province, 2008 and 2012

	2008		2012	
	Minimum Wage (\$)	Average Hourly Wages (\$)	Minimum Wage (\$)	Average Hourly Wages (\$)
Newfoundland and Labrador	8.00	18.84	10.00	23.09
Prince Edward Island	7.75	16.98	10.00	19.79
Nova Scotia	8.10	18.14	10.00	20.90
New Brunswick	7.75	17.81	10.00	20.02
Quebec	8.50	20.01	9.90	22.18
Ontario	8.75	22.13	10.25	24.22
Manitoba	8.50	19.27	10.25	21.36
Saskatchewan	8.25	20.35	10.00	24.11
Alberta	8.40	23.68	9.75	26.70
British Columbia	8.00	21.41	10.25	23.58

Source: Labour Canada (2013), Minimum Wage Database; Statistics Canada. Table 282-0070 - Labour force survey estimates (LFS), wages of employees by type of work, National Occupational Classification for Statistics (NOC-S), sex and age group, annual

Fact Sheet #2

High housing costs create tremendous financial stress

Adequate, safe, and affordable housing is absolutely crucial for individual, family, and community well-being. Since the 1980s, the significant decline in the stock of affordable housing combined with stagnant incomes and erosion of income security benefits has created high levels of housing insecurity in many Canadian cities. Despite low interest rates, the high cost of housing – especially in Vancouver and Toronto – continues to place homeownership beyond the means of many. As a result, the demand for affordable rental units remains high. More recent investments in housing have not yet reversed this trend.

One-quarter of Canadian households spend more than 30% of total income on shelter

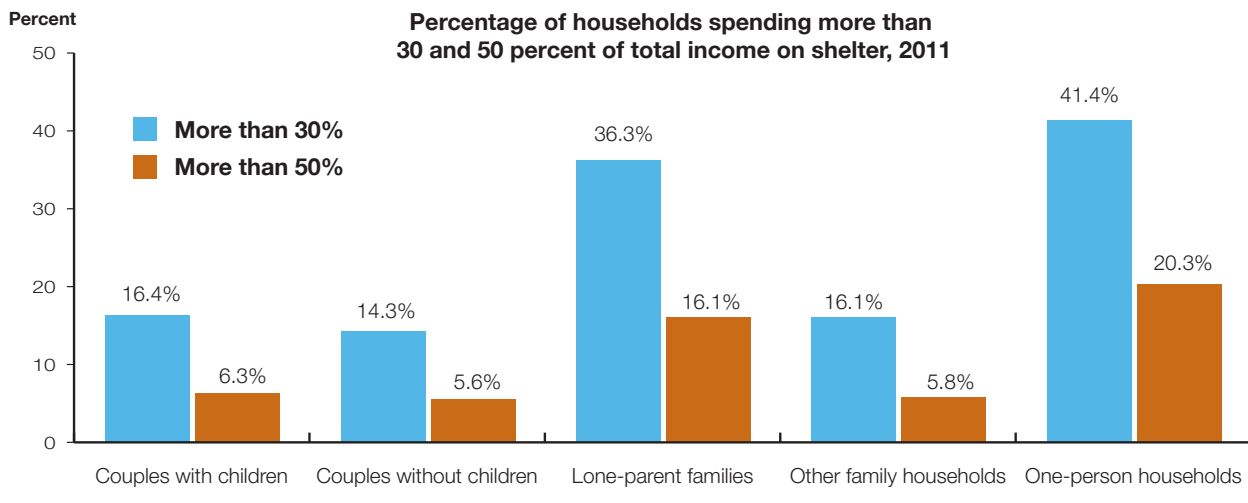
- In 2011, 3.3 million households – fully one-quarter of the total number – spent more than 30% of their annual income on shelter,¹⁵ a level the Canadian Mortgage and Housing Corporation (CMHC) considers “unaffordable.”¹⁶
- These households paid an average of \$1,259 per month on shelter, representing fully half (50.5%) of their average annual incomes. This amount exceeded the 30% income threshold by an average of \$510 per month.
- The large majority of these individuals and families lived on low incomes. In 2011, 41.8% of households living in unaffordable housing had total incomes below \$20,000 per year, while 60.8% had incomes under \$30,000.

- One-person households were two and a half times more likely to live in unaffordable housing compared to couple families (41.4% vs. 15.4%), while one-third of lone-parent families (36.3%) spent more than 30% of total income on shelter.

Many others live in housing that is in poor repair or overcrowded

- Almost one million households (7.4%) live in homes that require repairs, and almost 800,000 (6.0%) live in “unsuitable” housing, that is, housing that is too small for the household given its size and make-up according to National Occupancy Standard requirements.¹⁷
- These problems are especially acute among Aboriginal peoples living on reserve. Four in ten on-reserve households (43.5%) live in housing that requires major repairs, and one-quarter (25.2%) live in cramped quarters.¹⁸

People with lower incomes spend a much higher proportion of their income on shelter



Source: Statistics Canada, National Household Survey 2011. Catalogue Number 99-014-X2011031.

Low vacancy rates in private rental housing continue to drive up shelter costs

- Lack of affordable housing is directly linked to the shortage of rental housing in Canada. With a vacancy rate below 3% – the level experts cite as the minimum for a healthy rental market – rental housing in Canada is in dangerously low supply.¹⁹
- While the national vacancy rate in major urban centres climbed from 2.3% in April 2012 to 2.7% in April 2013, the rate in certain cities is still much lower. In April 2013, the vacancy rate was 1.9% in Winnipeg and Regina, 1.6% in Toronto, Oshawa and Guelph, and 1.5% in St. John's. Calgary and Edmonton had the lowest vacancy rate in the country at 1.2%.
- While almost one-third of all households in Canada rent, private rental development has decreased, accounting for only 10% of all residential construction over the past 15 years.²⁰

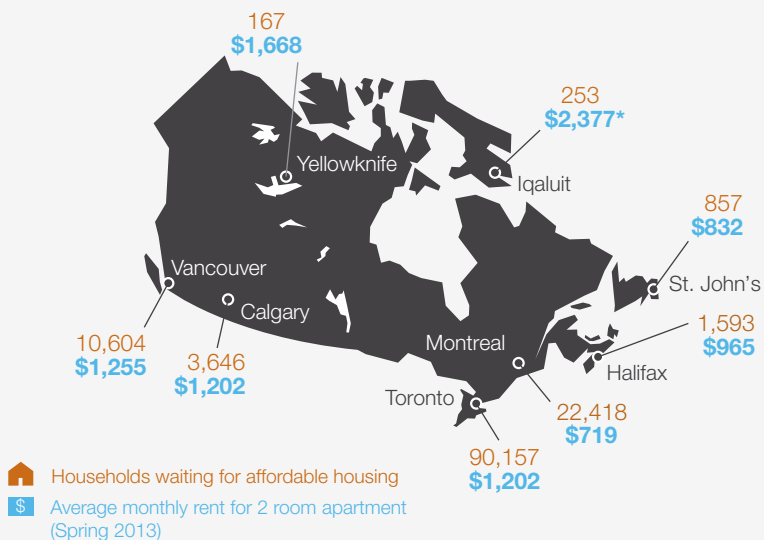
- Because of the shortage, rental housing prices are rising faster than the rate of inflation and median hourly wages (2.2% vs. 1.5% and 2.0%, respectively, between 2011 and 2012). Newfoundland, Manitoba, and Saskatchewan have experienced the most significant increases in the cost of rental housing in recent years.²¹

Long waits for subsidized housing are the norm

- The shortage of affordable housing is driving up demand for subsidized housing, but the supply of these units is limited.
- In Ontario, for example, there were 156,358 households waiting for rent-geared-to-income assisted housing as of December 2011. While it varies by location and household type, the average wait time in Ontario is two to four years. Some groups (mostly seniors) are housed within a year, while others (mostly singles and childless couples under 65) can wait up to 10 years.²² Similarly, in Vancouver, the average wait time is 16 months and in Halifax it is approximately three years.²³

In Canada, there just isn't enough affordable housing.

Across the country, thousands of people are waiting—sometimes up to 9 years—for affordable housing. And rental rates in numerous cities put housing out of reach for many.



Source: CMHC, Rental Market Survey; Interviews with housing officials in selected communities.
 * Fall 2012

Fact Sheet #3

Homelessness in Canada takes an enormous toll

Shelter is a basic need, yet for too many Canadians, it is a scramble every night to secure a place to rest. Many more are at risk of homelessness because of the high cost of shelter, meagre stock of affordable housing, inadequate incomes, and family violence and illness. Support services such as mental health facilities or child welfare agencies can actually create homelessness when programs discharge people with no place to go. Creative solutions in Canadian communities have started to make a difference in reducing homelessness, yet more must be done to improve the supply of affordable housing and needed support services.

Upwards of 200,000 Canadians experience homeless each year

- According to the Canadian Alliance to End Homelessness, at least 200,000 Canadians access emergency shelters or sleep outside each year. Of this number, 4,000 to 8,000 are chronically homeless, 6,000 to 22,000 move in and out of homelessness, while 176,000 to 188,000 experience homelessness for a short period time.²⁴
- On any given night, 30,000 people are homeless, lodging in shelters or temporary institutional accommodations such as hospitals, or sleeping outside. In addition, an estimated 50,000 are the “hidden homeless,” individuals and families who move from place to place, “couch surfing,” or who are staying in other short-term housing arrangements.²⁵

Tallying the costs of homelessness

- The status quo costs a great deal – both for the people who experience homelessness and for society. The Canadian Alliance to End Homelessness estimates that the total annual cost of homelessness to the Canadian economy is \$7.05 billion, including the cost of emergency shelters, social services, health care, and corrections.²⁸
- Housing people is more effective and far cheaper than simply providing emergency supports. A 2008 study of four major Canadian cities found that the cost of housing someone in a hospital or prison was between \$66,000 and \$120,000 per year, while the cost of an emergency shelter bed was between \$13,000 and \$42,000. The cost of supportive housing was much lower again, ranging from \$13,000 to \$18,000 per year.²⁹

Many Canadians are homeless or living in unaffordable housing

Number of households spending more than 30% of income on housing:

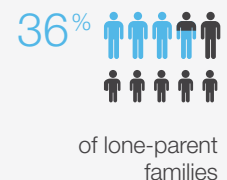
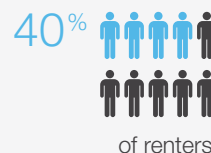
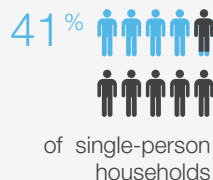
13.1 Million

That's 1 in 4 



At least **30,000** are homeless on a given night
As many as **50,000** may be "hidden homeless"

Who lives in unaffordable housing?

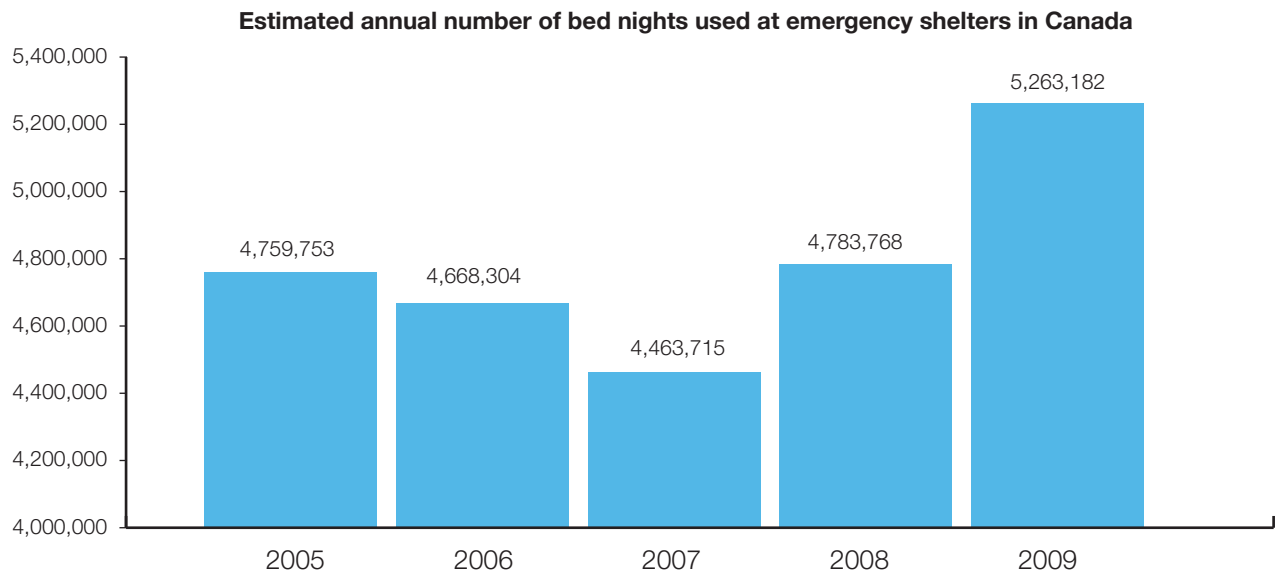


Source: Statistics Canada, National Household Survey 2011. Catalogue Number 99-014-X2011031; Gaetz, Donaldson, Richter and Gulliver (2013), The State of Homelessness in Canada 2013.

Single adult men and young people make up the largest groups of the homeless

- Single adult men aged 25 to 55 years account for almost half (47.5%) of the homeless population in Canada who access emergency shelters. This group makes up the largest proportion of the chronic homeless population according to the National Shelter Study.²⁶
- Young people aged 16 to 24 comprise about 20% – roughly 30,000 annually. These young people face significant difficulties, often coming from homes where there has been family conflict, neglect, and poverty.
- Over time there has been a shift in composition of those turning to shelters, especially with respect to children and families. This group experienced the largest increase in shelter use between 2005 and 2009, with the number of children growing by over 50% to 9,459.
- Aboriginal people are also significantly overrepresented among the homeless, especially in western and northern communities.²⁷ The experiences of chronic poverty and intergenerational trauma have taken an enormous toll on Aboriginal peoples, resulting in an extremely high risk of homelessness.

Economic recession linked to sharp rise in use of emergency shelters



Source: A. Segaert (2012), The National Shelter Study: Emergency Shelter Use in Canada 2005-2009.

Fact Sheet #4

Rising food costs a key factor of food insecurity, especially in the North

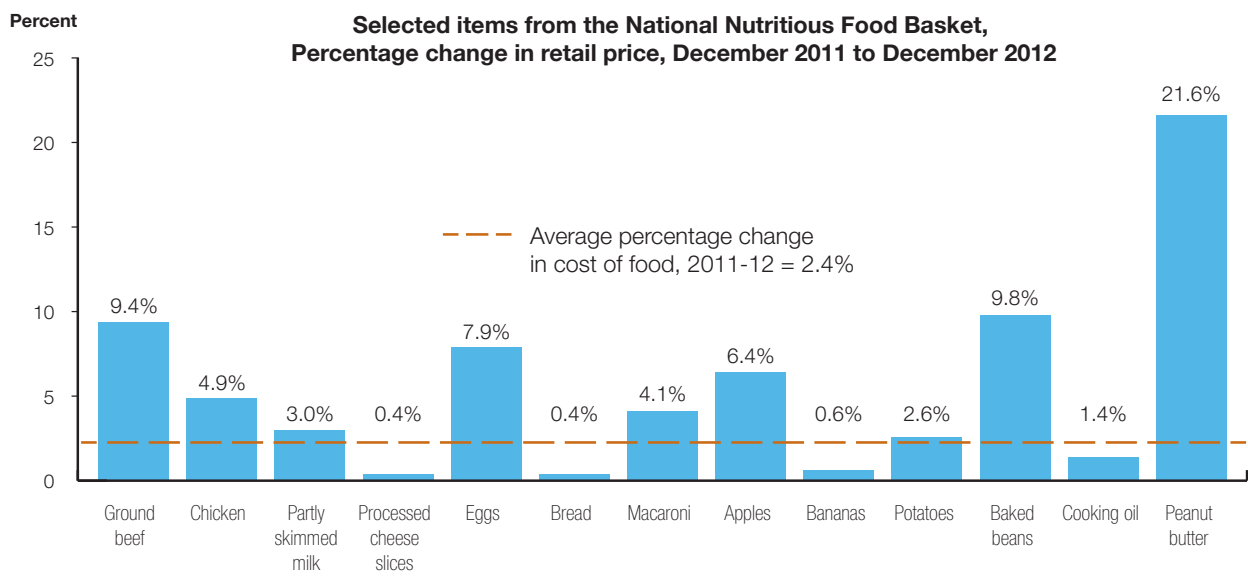
The surge in food bank users and high levels of food insecurity are two of the most visible and lasting impacts of the 2008-2009 recession. Stagnant incomes, inadequate income benefits, and rising food costs have resulted in high levels of food insecurity, especially in remote and northern Aboriginal communities. While food banks were originally intended only as temporary stop-gap measures, they have now become entrenched community institutions in the absence of coordinated efforts to eliminate poverty.

Low-income families cannot afford a healthy diet

- Far too many Canadians do not have access to nutritious food “in sufficient quantities and of sufficient quality” to maintain their health and well-being.³⁰
- According to the 2011 edition of *Cost of Eating in British Columbia*, the average monthly cost of a nutritious food basket³¹ for a family of four in BC was \$868 – or \$217 per week.³² This represents almost one-half of the income of a family on social assistance and more than one-third of the income of a working poor family. The situation is similar in other provinces.³³

- The rising costs of protein-rich foods such as ground beef and sliced ham, as well as fresh fruits and vegetables, make it very difficult for many families to purchase a healthy diet.³⁴
- The disparity between income and the cost of healthy food is particularly acute in northern Aboriginal communities. The 2007-2008 Inuit Health Survey found that the average cost of groceries was \$380 per week in Nunavut, Nunatsiavut, and the Inuvialuit Settlement Region, an amount roughly equivalent to the weekly earnings of half the adult population.³⁵

The cost of healthy food is rising faster than inflation



Statistics Canada. Table 326-0012 - Average retail prices for food and other selected items, monthly (dollars)

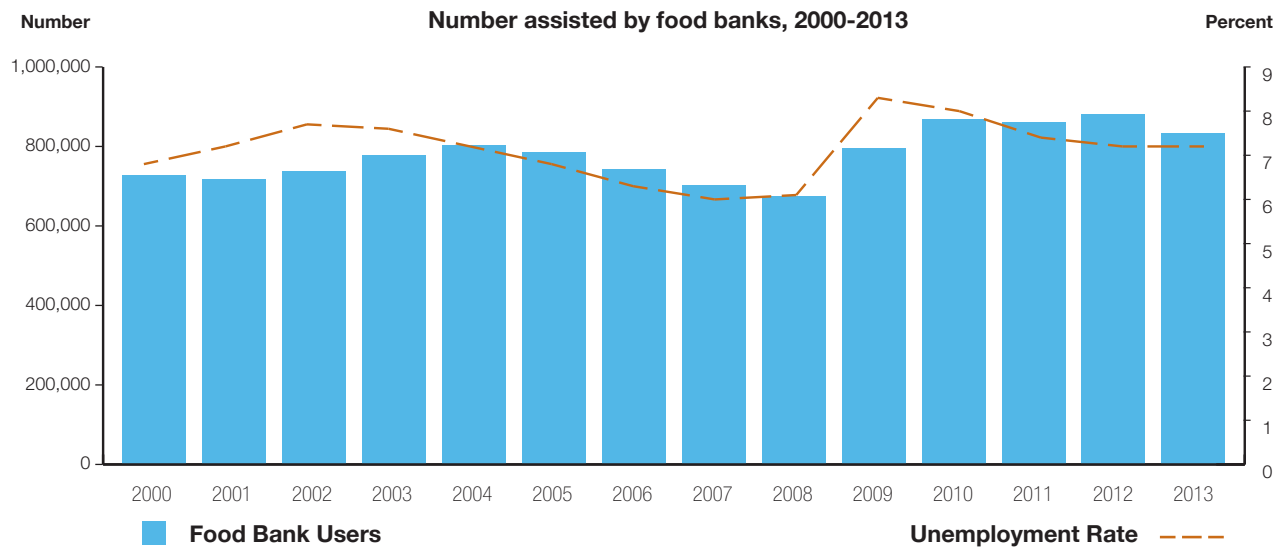
One in eight Canadians experienced food insecurity in 2011

- The high cost of healthy food is a key factor behind significant levels of food insecurity in Canada, especially among low-income families.³⁶
- Research from the Canadian Community Health Survey has found that slightly more than 12% of Canadian households were “food insecure” in 2011 – a number totalling more than 1.6 million households and 3.9 million people. These levels represent an increase of over 100,000 households (and 450,000 Canadians) since 2008.³⁷
- Thirty-six per cent of households in Nunavut were food insecure, the highest concentration in Canada. Food insecurity rates in the Maritimes, Yukon, and Northwest Territories also exceeded 15%.³⁸
- Food insecurity levels were especially high among northern Aboriginal communities. The Nunavut Inuit Child Health Survey found that nearly 70% of Inuit preschoolers aged three to five resided in food insecure households. Overall, 31% of children were “moderately” food insecure, and 25% were “severely” food insecure.³⁹

Canadian food banks continue to be in high demand

- Food bank use is another marker of food insecurity. *Hunger Count 2013* reveals that 834,000 people turned to food banks or an affiliated food program in March 2013.⁴⁰ This represents a decline of 4.5% from 2012, but is still 23% higher than the same period in 2008.
- Based on March figures, Food Banks Canada estimates that 1.7 million individuals will be helped by a food bank at least once over the course of 2013.
- As in the past, children made up the largest single group of food bank users in 2013 at 36.4%, down slightly from 2012. One-quarter of those assisted (25%) were lone-parent families and another 22% were two-parent families with children.
- Eleven per cent of food bank clients identified as Aboriginal, while another 11% were immigrants or refugees, two groups at great risk of experiencing poverty.
- In March 2013, about 12% of food bank users reported that employment was their primary source of income, down from 15% in 2008. The largest group of clients were social assistance recipients at 50%.

High levels of food bank use persist through the post-recession period



Source: Food Banks Canada (2013), Hunger Count 2013; Statistics Canada, CANSIM Table 282-0002.

Fact Sheet #5

Access to education is at risk because of rising costs

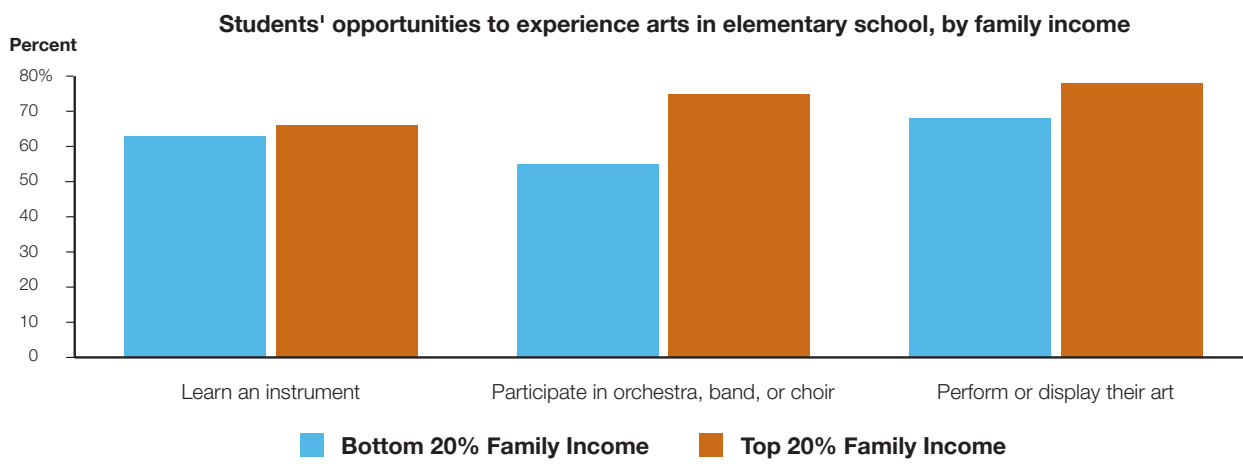
Education has the potential to overcome intergenerational cycles of poverty. The importance of education cannot be overstated given the significance placed on skills and training in today's job market. Two out of three jobs now require more than a high school education,⁴¹ and while there are exceptions,⁴² higher education generally leads to higher income and greater employment security.

As Canadian neighbourhoods have been increasingly polarized along income lines, the promise of education becomes harder to fulfill. The combined impact of low family income, rising educational costs, and limited access to extracurricular activities and recreation create barriers to educational success for children and youth living in low-income families, the harmful impact of which lasts a lifetime.

Economic disparities exist in the public education system

- Fees for education and educational supplies have been trending upward for over a decade as educational budgets across the country have been cut. Canada's patchwork of educational policies and programs has resulted in an emerging disparity of services and supports available to students depending on where they live.
- Average family incomes make a difference both for individual students and at the community level. For example, a recent Ontario study found that schools with higher family incomes fundraise at five times the rate of the schools with lower family incomes. "These private funds pay for enrichment for students who often have access to a range of out-of-school enrichment as well."⁴³
- Schools with higher family incomes are also much more likely to offer activities such as choirs, orchestras, or bands. At the secondary level, high-income schools have more extensive sport offerings.⁴⁴
- When schools charge fees, they are likely to create barriers to low-income students' participation in the full life of the school. Some Ontario elementary schools, for example, charge fees for extracurricular activities (52%), field trips (91%), and lunchtime programs (47%).⁴⁵

In public schools, family income makes a difference



Source: People for Education (2013), Mind the Gap: Inequality in Ontario's Schools

High cost of post-education education deters many students

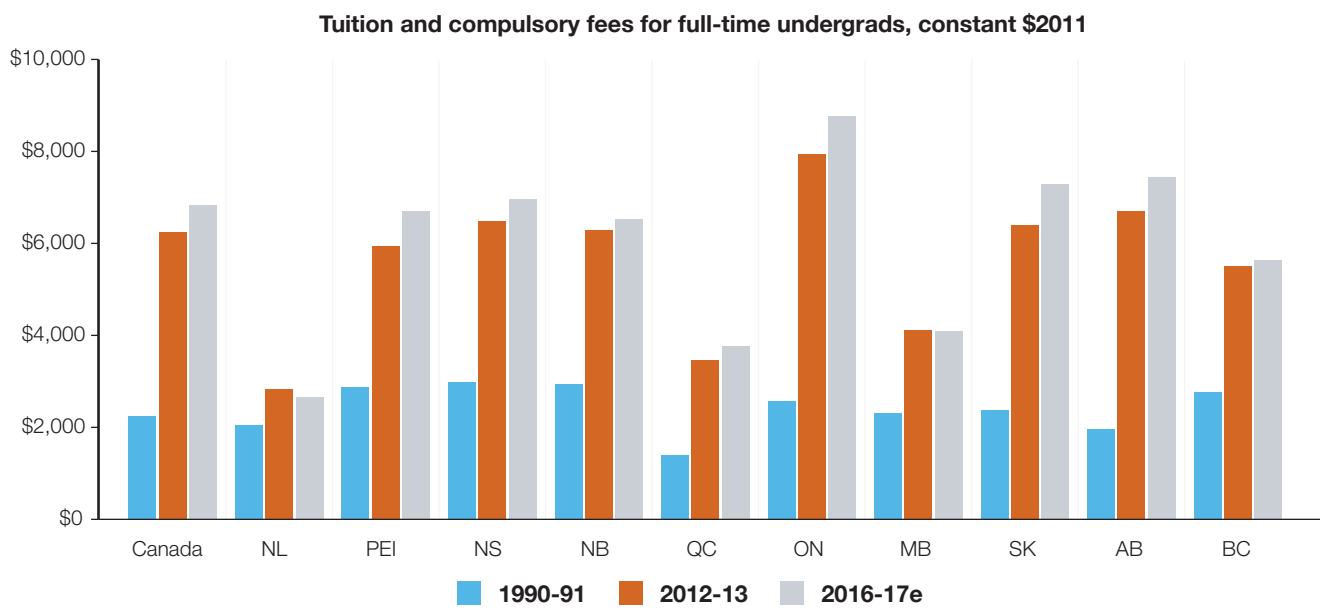
- In the past fifteen years, tuition fees in Canada have grown to become the single largest expense for most university and college students. The dramatic increase in tuition fees during this period is the direct result of cuts to public funding for post-secondary education.
- Since 1990-91, average tuition and compulsory fees⁴⁶ in Canada have more than doubled, reaching \$6,348. Ontario was the most expensive province in 2012-13 and Newfoundland and Labrador was the most affordable, followed closely by Quebec.⁴⁷
- According to Statistics Canada, average tuition fees for undergraduate programs increased by 3.3% between the 2012-13 and 2013-14 school years, and compulsory fees increased by 5.3%. By comparison, inflation as measured by the Consumer Price Index was 1.3% between July 2012 and July 2013.⁴⁸
- The cost of post-secondary education now deters many low- and middle-income Canadians from pursuing post-secondary education.⁴⁹ The burden of high fees and large debt loads weighs most heavily on the budgets of poor families.⁵⁰

- Average student debt loads sit around \$27,000 according to the Canadian Federation of Students, and the Canada Student Loan Program estimates most students take nearly ten years to pay off their loans.⁵¹ High debt loads have been shown to sway career choices and to lead to future financial difficulties.⁵²

Post-secondary education – a Catch-22

- In today's labour market, education opens the door to well-paying and secure employment. In 2010, for example, the median earnings of full-time, full-year university graduates aged 25 to 34 were \$53,800. High school graduates in the same age group earned roughly two-thirds of a university graduate's salary, at \$36,900.⁵³
- This advantage continues to increase with age, reflecting the greater opportunities that post-secondary credentials provide for upward wage mobility.

Post-secondary tuition fees are at record-highs, creating barriers for low-income students



Source: Erika Shaker and David Macdonald (2013), Degrees of Uncertainty: Navigating the Terrain of University Finance. Canadian Centre for Policy Alternatives.



Appendix

The **Survey of Household Spending** gathers detailed information on spending patterns, dwelling characteristics, and household equipment from a sample of approximately 18,000 households in all provinces. Average spending for a specific good is calculated for all households, including those with and without expenditures in the category. Average spending includes sales taxes.

The main spending categories are:

Food purchased from stores and from restaurants (excluding alcohol)

Shelter including costs related to a principal accommodation, vacation home, and/or shelter while travelling. This could include rent, mortgage, parking, repairs and maintenance, condo fees, property taxes, legal fees, mortgage premiums, utilities (water, fuel, electricity), and all other fees related to owned or rented property.

Household expenses (operations, furnishings and equipment) including communications (telephone, internet, online services), child care, cleaning services, cleaning supplies and equipment, pet expenses, garden supplies and services, furnishings and equipment, maintenance of furnishings and equipment, and other services.

Clothing and accessories including clothing, footwear, diapers, jewellery, watches, fabric and clothing services.

Transportation including purchase of automobiles, vans, and trucks, related fees, accessories, fees for leased or rental vehicles, maintenance and operation costs, fuel, parking, driving licenses, and public transportation.

Health and personal care including direct (out-of-pocket) costs to the household, public and private health insurance premiums, eye care goods and services, hair products, makeup, personal care supplies and other services such as massages.

Recreation including sports equipment and services, toys, video game systems, arts and crafts, computer equipment and supplies, home entertainment equipment and services, photographic supplies and services, entertainment such as movies, use of recreational facilities, children's camps, and recreational vehicles.

Education and Reading including tuition, course material and supplies, and printed matter such as newspapers, maps, etc.

Other spending including insurance and pension contributions, alcohol and tobacco, gifts of money, alimony and charitable contributions, financial services, games of chance, and other miscellaneous goods and services.

Income tax, that is, the sum of federal and provincial income taxes, including taxes on income, capital gains, and RRSP withdrawals, after taking into account exemptions, deductions, non-refundable tax credits, and the refundable Quebec abatement.

Average Expenditures by Quintile, All Households, 2011

Items	All households	Poorest 20%	Richest 20%
Total expenditure	\$ 73,457	\$ 29,129	\$ 143,519
Food expenditures	7,795	4,112	11,934
Food from stores	5,588	3,134	8,133
Food from restaurants	2,207	979	3,801
Shelter	15,198	9,257	23,491
Household operations	4,135	2,154	6,790
Communications	1,825	1,121	2,527
Child care	433	55	969
Furnishings and equipment	2,027	807	3,732
Household furnishings	864	320	1,662
Household equipment	1,041	417	1,851
Clothing and accessories	3,360	1,333	6,118
Transportation	11,229	4,595	18,912
Private transportation	10,152	3,953	16,963
Public transportation	1,077	642	1,949
Health care	2,211	1,186	3,155
Direct health care costs	1,584	935	2,234
Health insurance premiums	626	251	921
Personal care	1,082	609	1,805
Recreation	3,711	1,354	6,865

Items	All households	Poorest 20%	Richest 20%
Education	1,216	738	2,402
Tuition fees	1,191	686	2,377
Textbooks and school supplies	24	F	F
Reading materials	221	117	427
Tobacco and alcohol	1,199	595	1,879
Games of chance	166	107	222
Miscellaneous expenditures	1,602	680	3,154
Income taxes	12,442	348	39,960
Personal insurance + pension contributions	4,191	437	9,423
EI and QPPP	611	69	1,196
Retirement payments	2,998	206	7,137
Gifts of money	1,673	699	3,250
Money and support payments	1,070	506	2,068
Gifts of money to persons in Canada	625	358	1,017
Gifts of money to persons outside Canada	125	78	184
Alimony and child support	319	71	867
Contributions to charity	602	193	1,183

Source: Statistics Canada, 2011 Survey of Household Spending, CANSIM Table 203-0022

Endnotes

1. In the 1981–1983 recession, Canada’s poverty rate rose by 2.4 percentage points, reaching 14%. In the 1990–1993 recession, the poverty rate rose by 4.1 percentage points, reaching 14.1%. It then continued to rise, peaking in 1996 and only declining to its pre-recession rate 14 years after the recession ended. Jean-François Arsenault and Andrew Sharpe (2009), *The Economic Crisis through the Lens of Economic Wellbeing*, A special report for the Canadian Index of Wellbeing. https://uwaterloo.ca/canadian-index-wellbeing/sites/ca.canadian-index-wellbeing/files/uploads/files/TheEconomic_Crisis_FullReport.sflb_.pdf
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