



Poverty at Your Doorstep

Montreal

2013

After a decade of positive growth and falling poverty rates, unemployment started climbing in Montreal in the spring of 2008. Over the next year, the region lost over 30,000 jobs and poverty levels increased to 16%. The Montreal economy quickly rebounded in late 2009, but experienced significant job loss again in 2011.

The ups and downs of the local economy continue to take a heavy toll on families struggling to improve their economic situation. Stagnant incomes and rising costs of living are cutting deeply into family budgets. Despite a positive track record of poverty reduction in the past decade, Montreal's rate is still one of the highest in Canada.

The policies and programs introduced under Quebec's Action Plan to Combat Poverty and Social Exclusion have made a difference, helping to improve family incomes and narrow health inequalities between the rich and the poor, particularly among children. Efforts must be sustained to ensure continued progress.



In 2012, an average of 167,200 people received income support per month, including 46,500 children. Roughly one in ten Montrealers relies on social assistance for income support.

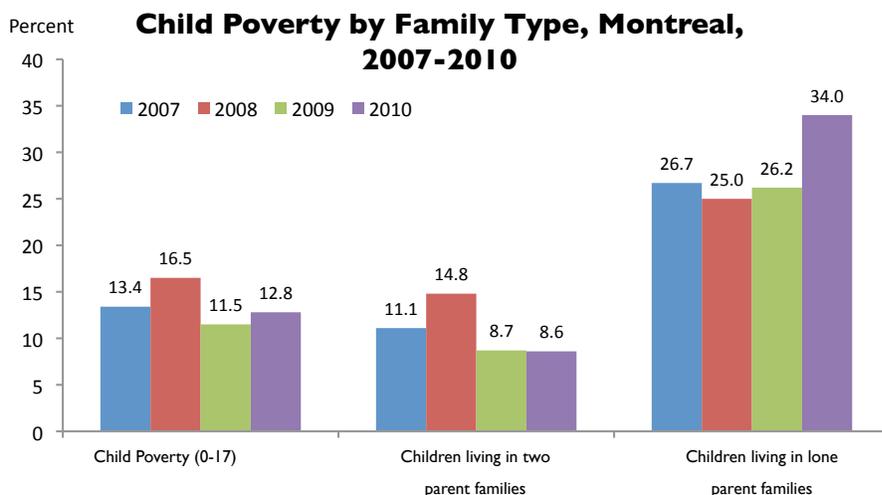
Poverty in Montreal

Montreal has struggled with high levels of poverty since the early 1990s. At the height of the last recession in 1995, 30% Montreal children lived in poverty, while the overall rate for the city hovered near 25% for several years, according to Statistics Canada's after-tax Low Income Cut-off.

As the economy improved in the late 1990s, and new anti-poverty programs were introduced, Montreal's poverty rate started to fall, finally reaching 14% in 2006 and 2007.

With the onset of the recession, poverty reduction ground to a halt. Evidence of economic stress was already apparent in Montreal in the early 2008 with the poverty rate rising to 16% over the year. The economy rebounded in 2009, and poverty levels fell back to 13%, only to rise again the next year. In 2010, Montreal's poverty rate was 14%, five percentage points above the national average of 9%.

The improvement in the rate of child poverty was even more notable over the 1997-2006 period, falling by 63%, from 30% to 11%. The poverty rate started to climb before the 2008-09 recession, rising sharply from 11% in 2006 to 17% in 2008. In 2009, the proportion of children living in poverty fell to 12%, but rose the next year to 13%.



Source: Source: Statistics Canada. Table 202-0802 - Persons in low income families, annual. After-tax Low Income Cut-off

Montreal has seen considerable improvement in the economic situation of lone-parents.

During the 1991-92 recession, poverty levels topped 70% among children living in female lone-parent families. Since that time, the rate has fallen steadily, from 73% in 1991 to 25% in 2008. Long-term improvements reflect the fact that lone-parent mothers today tend to be older and have higher levels of education and employment than in the past.

As a result of the recession, the poverty levels among lone-parent families increased in 2009 and 2010, reaching 34%, four times the rate of children living in two-parent families (9%).

Labour Market Inclusion

Montreal's economy has experienced halting employment growth and improved average weekly earnings since the recession, but not all residents have benefitted. In particular, young people and workers with low levels of education are struggling to sustain themselves in Montreal's low-wage service sector.

As a result of the recession, unemployment in Montreal increased significantly from 7.0% in 2007 to 9.2% in 2009, while the number of Employment Insurance beneficiaries grew by 48% between October 2008 and October 2009. Unemployment fell slightly in 2010, to 8.6%, and again in 2011, to 8.3%. More recent monthly figures show a modest increase in the unemployment rate in 2012.



The number of people using food banks has grown each year since the recession, from a monthly average of 112,319 in 2008 to 148,460 in 2011 – a total increase of 32%.

At the same time, the employment rate fell by over two percentage points between 2007 and 2009, from 63% to 61%. There was a small boost in the rate in 2010 related to strong job growth in the service sector. However, the rate declined again in 2011 to 61%.

Income and Earnings

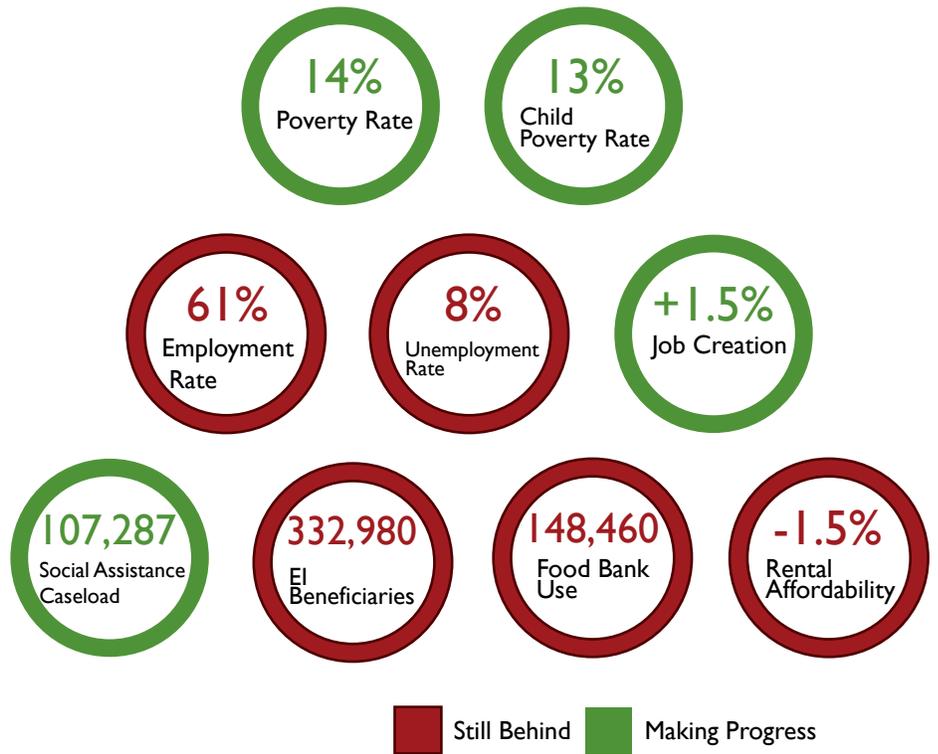
The market incomes of working-age families in Montreal were flat through the recession, from 2008 to 2009, and then fell in 2010, reflecting a drop in individual earnings as well as loss of employment hours. In 2010, the median market income of families was \$58,000, considerably lower than the national benchmark of \$64,900, placing Montreal toward the bottom of the income range of large Canadian cities.

After-tax incomes largely followed the same pattern as market incomes. Between 2008 and 2009, median after-tax incomes of families experienced a modest increase, but then fell in 2010, reaching \$58,100. The after-tax income of two-parent families was \$76,000, while the income of lone-parent families was roughly half of that at \$38,100.

Families at the bottom of the income ladder live on incomes considerably below all poverty thresholds. Among social assistance recipients in Quebec, a family of four (two parents and two children) received \$23,271 in 2011, 64% of the after-tax Low Income Cut-off (LICO) threshold, and 75% of

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Most recent information for Montreal.



the Market Basket Measure (MBM). A lone-parent families with one child received \$18,041, 77% of after-tax LICO, and 82% of MBM.

The Growing Gap

The gap in market incomes between families at the top and bottom of the income ladder has grown considerably in Quebec over the past 30 years, most recently during the 2008-09 recession. While government programs have played a very important role in reducing the magnitude of the gap and boosting the incomes of poor families, poor families

are still treading water. Their share of after-tax incomes has not increased in 30 years, while the income share of the top 20% of families has increased by 2.3 percentage points.

Social Assistance and Employment Insurance

Many individuals and families turned to social assistance for financial support during the recession. Between 2008 and 2010, the number of Montreal households relying on social assistance and social solidarity increased from 110,681 to 112,543 per month.

In 2011, the caseload began to fall, erasing the increases associated with the recession. In 2012, an average of 167,200 people received income support per month, including 46,500 children. Roughly one in ten Montrealers relies on social assistance for income support.

There was a 15% increase in the number of people receiving Employment Insurance between 2008 and 2009, from 291,590 to 336,220. In 2010, the number of recipients fell modestly to 332,980. Given the increase in the social assistance caseload that same year, this result may not accurately reflect real improvement, as those who exhaust EI may be turning to social assistance for support.

Making Ends Meet

Montreal food banks have experienced a significant increase in demand since the recession. The number of people using food banks has grown each year, from a monthly average of 112,319 in 2008 to 148,460 in 2011 – a total increase of 32%. The most recent data show that the number in need of food fell slightly in 2012 by 1.6%.

Montreal is known to have more affordable housing than cities like Toronto and Vancouver, but the availability of affordable units is becoming a considerable problem. Since the recession, CMHC's rental affordability index has fallen by 6% as housing costs have outpaced income growth among Montreal's large population of renters. In April 2012, the average rent for a two-bedroom apartment in Montreal was \$708 up from \$703 in April 2011, an increase of 1.7%.

Sources

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For more information, see the national Poverty Trends Scorecard—Canada 2012 at www.cpj.ca. Check out Poverty at Your Doorstep reports for other Canadian cities at www.worldvision.ca/canadianprograms.

Produced by Citizens for Public Justice in partnership with World Vision Canada.

Partners in Action Youth Unlimited

Youth Unlimited's Envol project draws participants from a public housing neighbourhood facing poverty's limitations in a Montreal suburb. Its goal is to see youth presently disengaged from school pursue meaningful academic or vocational training.

Claudine* dropped out of school in light of her pregnancy. She perceived few role-models in successfully continuing an education while caring for an infant, and believed that school was no longer an option for her life.

Through her investment at Envol, Claudine earned her first high school credits and continued to work on her courses after the birth of her son. Through the support of centre staff, Claudine has been able to bring her son with her as she studies – as well as exploring practical life skills such as cooking and long-term goal setting.

Claudine continues to overcome challenges, including the sudden death of her father – the sole provider for the family. Claudine has now earned over 30 high school credits and her son continues to thrive.

*not her real name

<http://www.montrealyouthunlimited.org>

World Vision Canada

For more information about our programs and what you can do to close the poverty gap here at home, please see www.worldvision.ca/canadianprograms or get in touch: canadianprograms@worldvision.ca, 1-800-268-5863, ext 2759.