



The Risk and Depth of Poverty in Canada: A Statistical Profile

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1. Introduction

This report provides a descriptive analysis of the depth of poverty in Canada. Using 2021 Census data, the report examines the prevalence of poverty nationally, as well as a profile of those considered to be in deep poverty, shallow poverty and at risk of poverty.

2. Definitions and Methodology

This report examines the depth of poverty using custom tabulations from the 2021 Census provided by Statistics Canada. The population was divided into three categories:

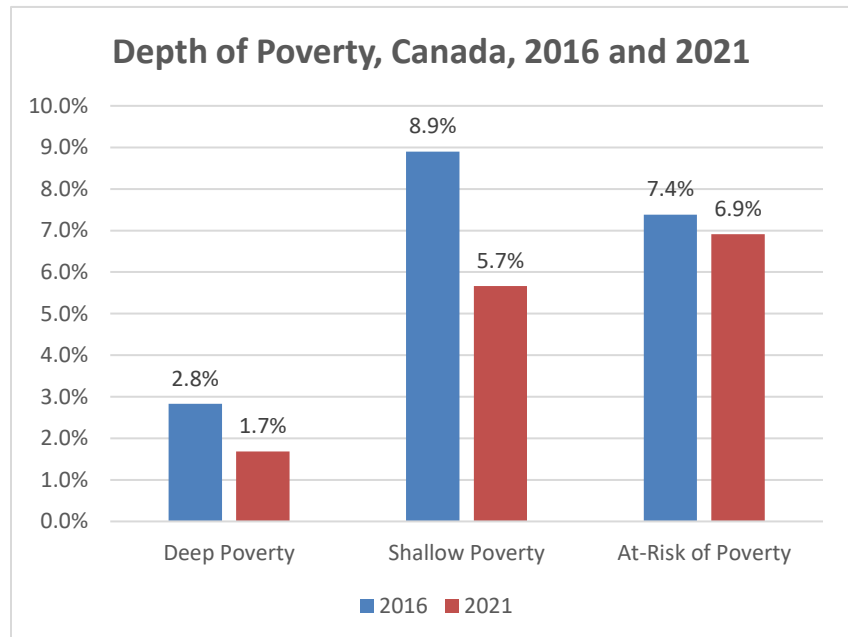
- Deep poverty = income of 50% of the poverty line or less;
- Shallow poverty = between 50 – 100% of the poverty line;
- At-risk of poverty = 100 – 125% of the poverty line.

The poverty line used for this analysis is the 2020 Market Basket Measure.

3. Population Overview

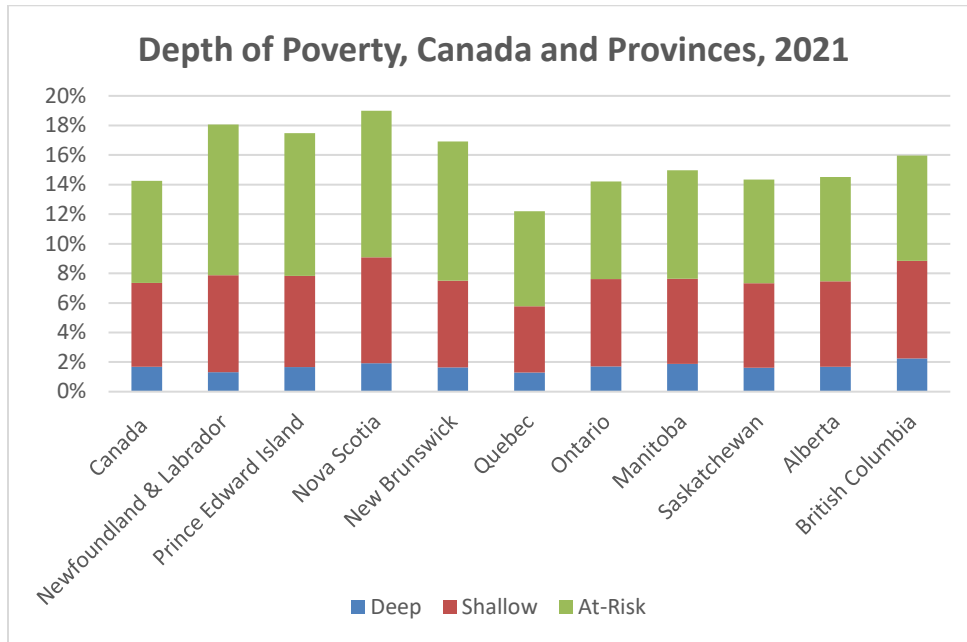
In 2020, 7.3% of the Canadian population was living in poverty, a total of 2,717,615 persons. This included 621,235 persons in deep poverty (1.7% of the population) and 2,096,390 who were living in shallow poverty (5.7%) of the population. In addition, 6.9% of the Canadian population were living in households with incomes just above the poverty line, a total of 2,556,880 persons. Combined, a total of 5,274,505 Canadians were living either in or at risk of poverty, accounting for 14.3% of the population.

Between 2016 and 2021, there was a significant decrease in poverty nationally, with the poverty rate falling from 11.7% to 7.3%. The largest decrease was among those in shallow poverty where the percentage of the population with incomes of between 50 – 100% of the poverty line fell from 8.9% to 5.7%. Meanwhile, the rate of deep poverty fell from 2.8% to 1.7%, and from 7.4% to 6.9% for those at risk of poverty.



Across the Provinces, Nova Scotia reported the highest percentage of the population either in or at-risk of poverty (19%), while Quebec reported the lowest percentage (12.2%). British

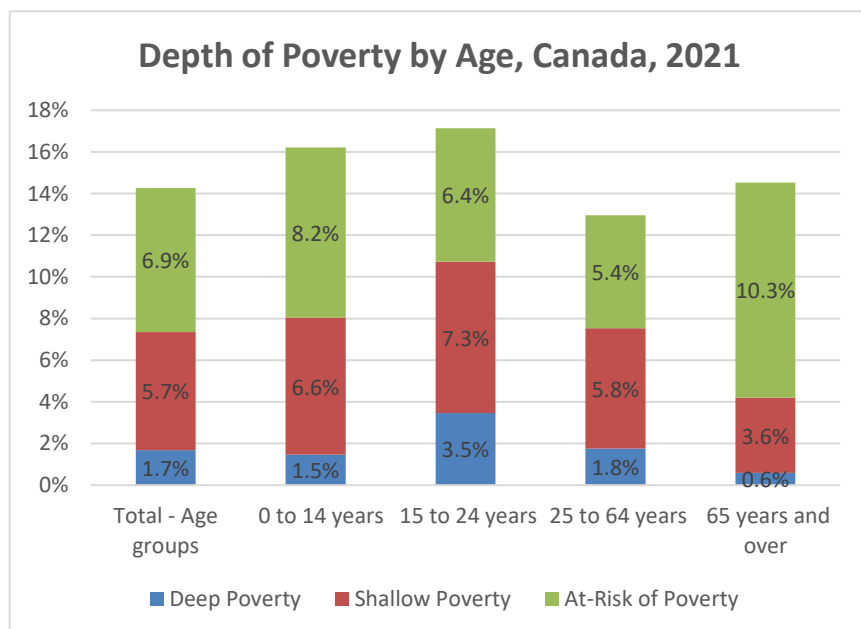
Columbia, however, reported the highest percentage of persons in deep poverty (2.3%), while Newfoundland and Labrador and Quebec reported the lowest percentage (1.3%). Newfoundland and Labrador, however, also reported the highest percentage of those at risk of poverty (10.2%) with Quebec reporting the lowest percentage of at-risk persons (6.4%).



4. Age Profile

The poverty rate was highest among youth (age 15-24), followed by children (0-14), working age adults and seniors.

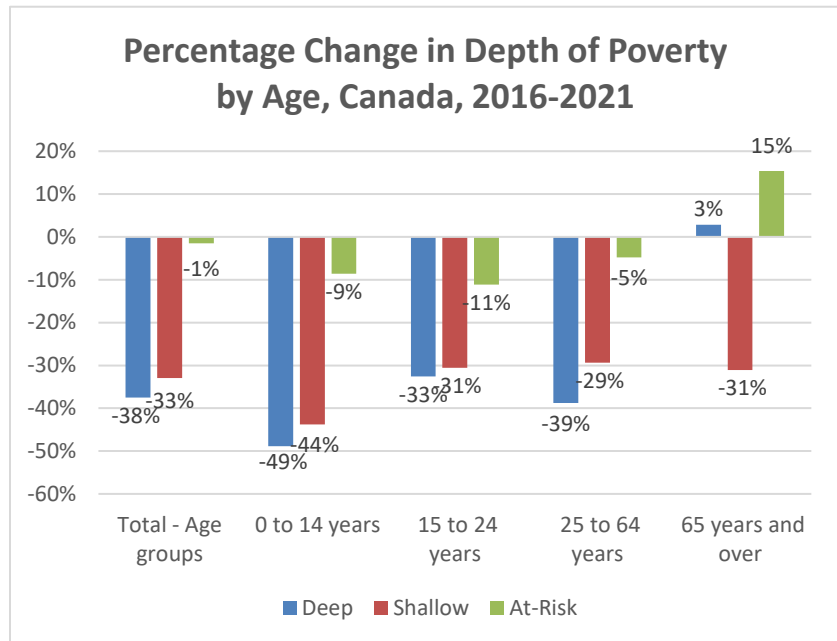
Among youth, 10.8% had incomes below the poverty line, with 7.3% in shallow poverty and 3.5% in deep poverty. An additional 6.4% were at risk of poverty. Combined, 17.1% of youth were either in or at risk of poverty, a total of 722,385 youth. Compared with 2016, youth poverty declined by 3 percentage points from a rate of 20.7% with the steepest decline among those in deep poverty (-33%) and shallow



poverty (-31%). The number at risk of poverty showed a less marked decline, falling by only 11% over that period.

Child poverty is also of concern, with 8.1% of children (age 0-14) living in households with incomes below the poverty line. This includes 6.6% in shallow poverty, and 1.5% in deep poverty. A further 8.2% of children lived in households at risk of poverty. Collectively, 16.2% of Canadian children (almost 1 in 6) were either in or at risk of poverty. This, however, was a marked improvement from 2016 when roughly 1 in 4 children (24.1%) were either in or at risk of poverty. The most significant decline was in the number of children in deep poverty which fell by half (49%), while the number in shallow poverty fell by 44%.

While seniors had the lowest total rate of poverty (4.2%), including the lowest rate of shallow poverty (3.6%) and deep poverty (0.6%), they were the age group most at risk of poverty. Roughly 1 in 10 seniors were living with incomes just above the poverty line in 2021. Although seniors reported the lowest overall poverty rates, the number in deep poverty actually increased between 2016 and 2021, rising by 3%, while the number at risk of poverty also rose, increasing by 15%. Seniors were the



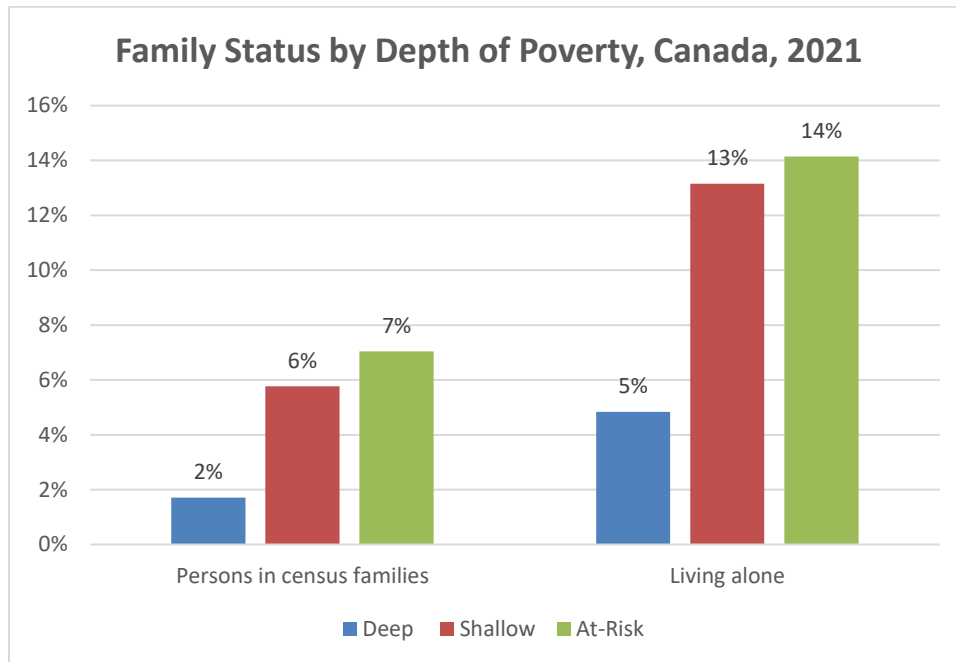
only age group that reported an increase in the number in deep poverty or at risk of poverty. Overall, these increases were offset by a 31% decrease in the number in shallow poverty.

Among working age people (age 25-64), 5.8% were in shallow poverty and 1.8% in deep poverty, with a further 5.4% at risk of poverty. Combined, roughly 1 in 8 working age Canadians were either in or at risk of poverty in 2021, a total of 2,558,165 individuals. As with other age groups, the percentage in or at risk of poverty declined, falling by over 4 percentage points from 17.3% to just 13%. The sharpest decline was among those in deep poverty, with the number falling by 39%, while the number in shallow poverty fell by 29%.

When looking at each income group individually, working age people comprise the majority of those in deep poverty (56%), followed by youth (24%) and children (14%). Among those in shallow poverty, youth comprise a smaller share (15%) and children a larger share (19%). For those at risk of poverty, seniors account for 28% and children 19%. Combined, seniors and children account for almost half (47%) of those at risk of poverty. Meanwhile, working age persons account for a smaller share (42%) compared to the deep and shallow poverty income groups. Youth are least represented in the at-risk group, accounting for just 11%.

5. Family Status

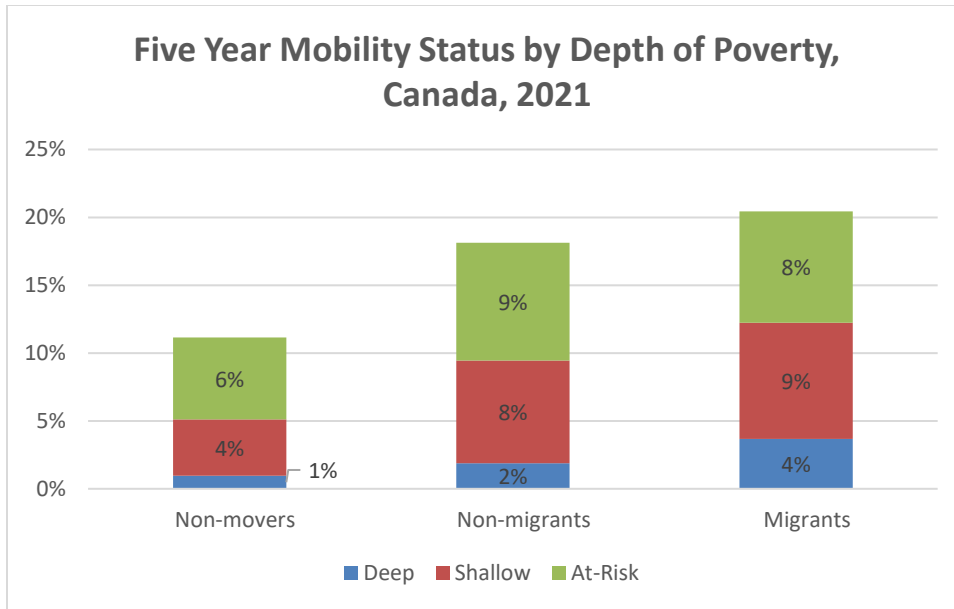
Those who are not living in a family are more likely to be in poverty or at risk of poverty. In 2021, almost 1 in 5 (18%) of those not in families were in poverty, with another 14% at risk of poverty. Combined, roughly one-third (32%) of those not in families were either in or at risk of poverty, with 5% in deep poverty. This is more than double the rate for those in families, of whom 15% were either in or at risk of poverty, with 2% in deep poverty.



When looking at each income group individually, those not in families account for the majority (53%) of those in deep poverty. Conversely, those living in families account for the majority of those in shallow poverty (57%) and those at risk of poverty (62%).

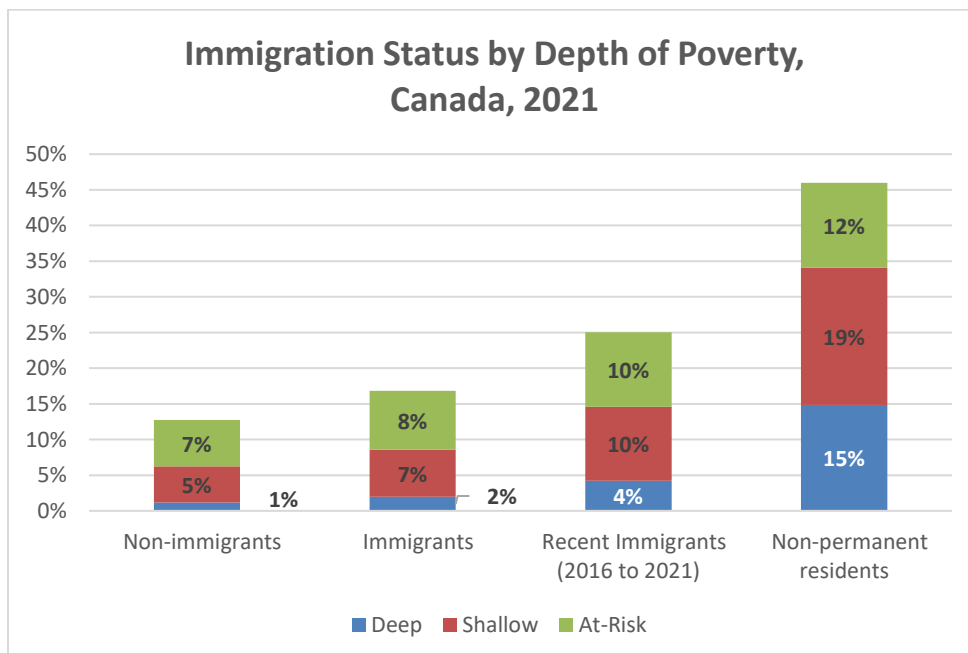
6. Mobility

Those who moved within the past five years were more likely to be in or at risk of poverty than those who didn't. In 2021, 11% of those who didn't move were either in or at risk of poverty, with 4% in shallow and 1% in deep poverty. In contrast, among those who moved, almost 1 in 5 (19%) were either in or at risk of poverty, with 2.9% in deep poverty. Those who had moved from a different Census Sub-division (migrants) were even more likely to be in or at risk of poverty, with 9% in shallow poverty and 4% in deep poverty, with a further 8% at risk of poverty.



When looking at each income group, those who moved accounted for two-thirds of those in deep poverty and over half (55%) of those in shallow poverty. Conversely, among those at risk of poverty, over half (53%) were non-movers.

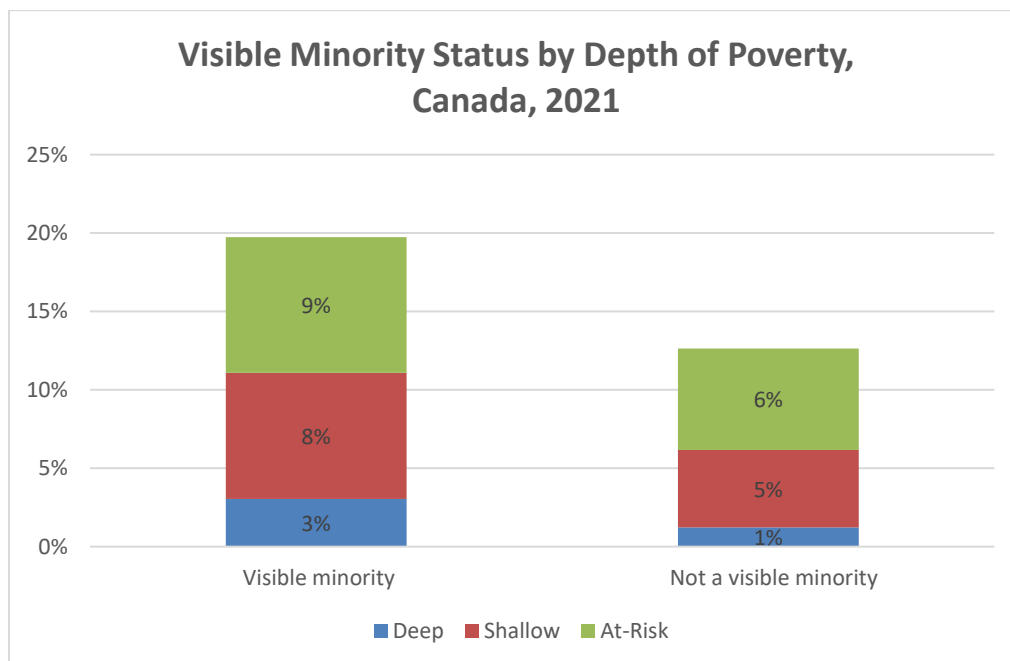
At particular risk are those who have moved from out of the country. This includes immigrants and non-permanent residents. In 2021, almost 1 in 4 recent immigrants were either in or at risk of poverty, almost double the rate of 13% among non-immigrants. Of recent immigrants, 10% were in shallow poverty and 4% in deep poverty. The greatest risk, however, is among non-permanent residents of whom almost half (46%) were either in or at risk of poverty. Among this group, 15% were living in deep poverty, and 19% in shallow poverty with a further 12% at risk of poverty.



When looking at each income group individually, non-permanent residents account for almost one-quarter (22%) of all those in deep poverty, while immigrants account for another 26% of this income group.

7. Visible Minority Persons

Persons who identified as a Visible Minority were more likely to be in or at-risk of poverty. In 2021, one in four Visible Minority persons were in or at risk of poverty, compared to 12% of those who were not Visible Minorities. Among Visible Minority persons, 8% were in shallow poverty, while 3% were in deep poverty and an additional 9% at risk of poverty.



Looking at each income group individually, Visible Minority persons were significantly over-represented among those in deep poverty, accounting for almost half (47%) of that income group. Among those at risk of poverty, Visible Minority persons accounted for one-third of the income group, slightly more than their share of the overall population.

8. Indigenous Identity

Among persons of Indigenous identify, 17% were either in or at-risk of poverty in 2021. This included 1.6% who were in deep poverty and 7.4% in shallow poverty. A further 8.1% were at risk of poverty. The percentage of Indigenous persons in shallow poverty or at risk of poverty was slightly higher than the rate for non-Indigenous persons.

9. Income

In 2020, median total income among those in the deepest poverty was only \$6,280, while for those in shallow poverty it was \$18,400 and \$24,200 for those at risk of poverty. For those in deep poverty, a significant proportion (44%) received employment income, while among those in shallow poverty or at-risk of poverty roughly half (49%) received employment income. Median employment income among those in deep poverty was a mere \$3,920. For those in shallow

poverty median employment income was \$8,800 while for those at risk of poverty it was \$13,900.

While the majority of those in or at risk of poverty received Government Transfer income, those in the deepest poverty were least likely to receive Government Transfers. In 2021, only 86% of those in deep poverty reported Government Transfer income compared to 95% of those in shallow poverty and 96% of those at risk of poverty. The median amount of Government Transfer income was also lowest for those in the deepest poverty, receiving a mere \$2,600 compared to median transfer income of \$13,400 among those in shallow poverty and \$17,400 among those at risk of poverty.

In terms of the type of benefits received, only 2% of those in deep poverty received Employment Insurance (EI), while 21% received the Covid Emergency Response Benefit (CERB). This is significantly lower than rates of receipt among those in shallow poverty where 8% received EI benefits and 35% received CERB benefits. Among those at-risk of poverty, 12% received EI benefits and 33% received CERB benefits. For all three income groups, men were more likely to receive CERB benefits than women.

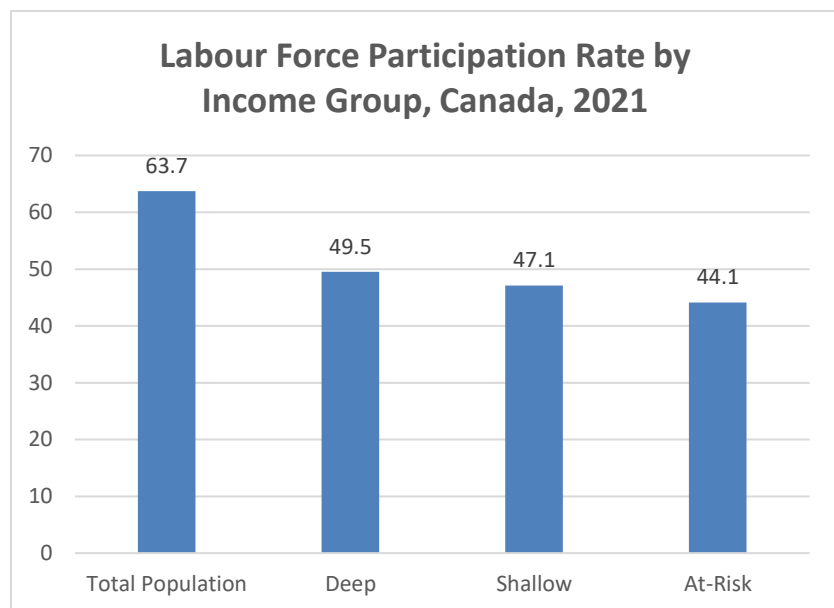
10. Employment

Labour force attachment was strong for all income groups. Among those in deep poverty, roughly half (49.5%) participated in the labour market in 2021, while for those in shallow poverty the participation was 47% and for those at risk of poverty 44%.

While the labour force participation rate was highest among those in deepest poverty, so too was the unemployment rate. In 2021, 21.% of those in deep poverty reported being unemployed. The unemployment rate among those in shallow poverty was similar at 21.4%, while for those at risk of poverty the unemployment rate was lower at 19.3%.

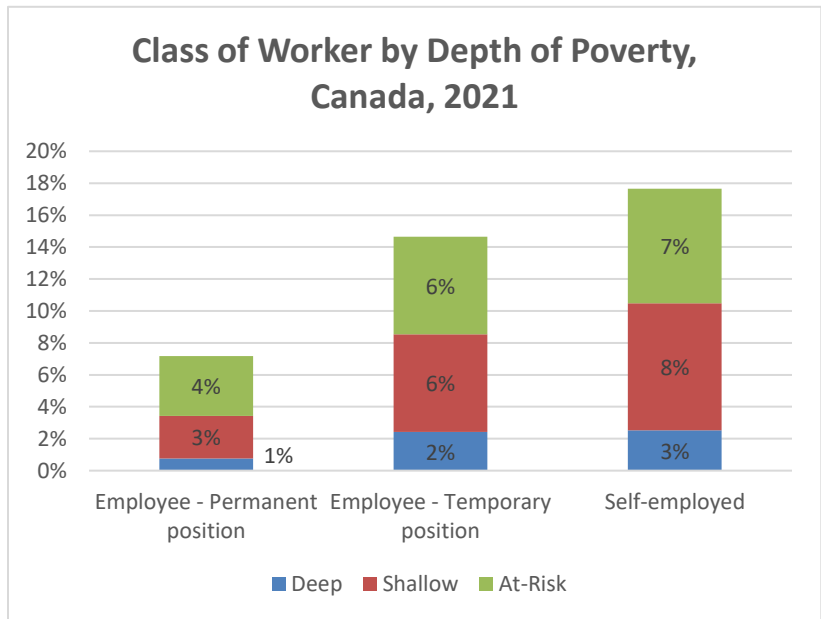
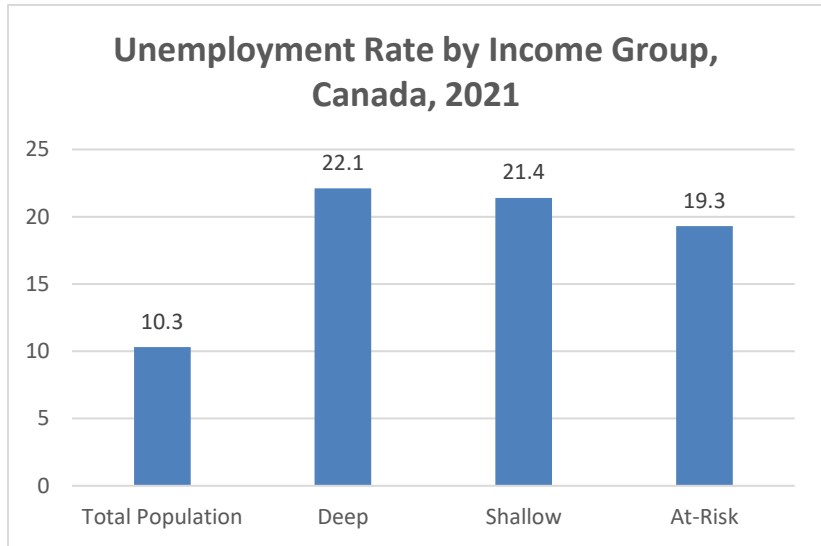
Of those who worked among all three income groups, roughly 1 in 10 worked full-time for the full year, while

roughly one-third worked part-year and / or part-time. Among those in deep poverty, almost half (43%) held a permanent position and 27% a temporary position. The percentage holding a permanent position increased to 49% for those in shallow poverty and 58% for those at risk of poverty. Of note is the fact that a significant percentage of all three income groups were also self-employed. Almost one-third (29%) of those in deep and shallow poverty reported being self-employed, while roughly one-quarter (23%) of those at risk of poverty were self-employed. In



total, 18% of self-employed persons were either in or at risk of poverty, Meanwhile, almost 1 in 10 (8%) of all workers holding a permanent employment position were also in or at risk of poverty.

The occupations with the greatest proportion of workers in or at risk of poverty were first, those related to Arts, Culture, Recreation and Sport (14.6%), followed by Sales and Service (14.2%), Natural Resources, Agriculture and Related Occupations (13.6%), and Trades, Transport and Equipment Operators (10.6%). When looking at the income groups individually, those in deep poverty were most likely to be working in Sales and Service occupations (32.7%), followed by Trades, Transport and Equipment Operators (18.9%), and Business, Finance and Administration (12.7%). These same three occupational groups were also the predominant occupations for those in shallow poverty or at risk of poverty.

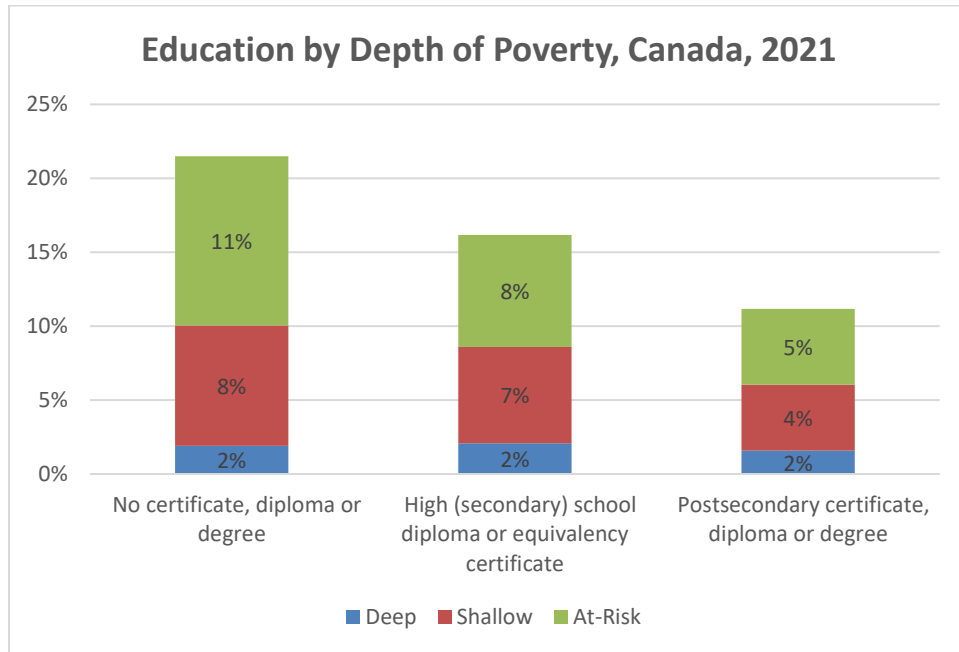


The industry with the greatest proportion of workers in or at risk of poverty was Accommodation and Food Service (18.8%), followed by Administrative and Support Services (17.1%), Other Services (14.1%), and Arts, Culture and Recreation (13.6%). The Accommodation and Food Services industry also had the greatest proportion of workers in deep poverty (2.2%) as well as at risk of poverty (9.1%).

11. Education

The likelihood of being in or at risk of poverty decreases with education. In 2021, roughly 1 in 5 persons (21%) without a high school diploma were either in or at risk of poverty, compared to 17% among those with a high school diploma, and 11% of those with a postsecondary certificate, diploma or degree. While the percentage in deep poverty (2%) was consistent across all three income groups, there was a marked difference in the percentage at risk of poverty, with

11% of those without a high school diploma at risk of poverty compared to just 5% of those with a postsecondary education.



Although the likelihood of being in poverty decreases with education, those in or at risk of poverty are a highly educated group. Of those in deep poverty, roughly half (51%) have a postsecondary certificate diploma and degree, and 31% have a high school diploma. Similarly, among those in shallow poverty, 46% have a postsecondary education, as do 43% of those at risk of poverty.

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