



2021 FEDERAL POLICY RECOMMENDATIONS





ABOUT FOOD BANKS CANADA

Food Banks Canada provides national leadership to relieve hunger today and prevent hunger tomorrow in collaboration with the food bank network in Canada.

Food Banks Canada is a national charitable organization dedicated to helping Canadians living with food insecurity. We support a network of Provincial Associations, affiliate food banks, and food agencies that work at the community level to relieve hunger. Our work is focused on maximizing collective impact, strengthening local capacity, and reducing the need for food banks.

**Our vision:
a Canada
where no
one goes
hungry.**



INTRODUCTION

There is no doubt that the last year was marked by hardship, stress, and loss for many Canadians. Millions lost their jobs virtually overnight, and while some have been able to return to work, a return to pre-pandemic economic stability and normalcy still seems many years away.

However, if there is one silver lining to the first year of the pandemic, it is that we witnessed in real time what Food Banks Canada has been saying for years: good social policies can have a significant impact on reducing food insecurity when they address its root causes, which are low incomes and poverty.

As our data have shown, the rapid introduction of the CERB and other supports initially “flattened the curve” of food bank use early in the pandemic in many parts of the country. These new programs, which have since been pulled back, played a significant role in many Canadians having enough income to buy food to feed themselves and their families.

In Canada, we know that food is only a small part of household food insecurity. Food banks are there to support people with immediate needs. They can only do so much to help people in the long term. The pandemic and the subsequent policies put in place by the federal government offer clear proof that sound public policies that raise people’s incomes and lift them out of poverty are the key to reducing food insecurity in the long term.

The fact that the CERB and other supports had such a deep impact in mitigating the potentially devastating consequences of the pandemic should be applauded and used as a building block as we build back a better Canada.

Before the pandemic, food banks in Canada were visited more than 1 million times per month. They were already at capacity and struggling to meet their communities’ needs. We now have a roadmap we can follow that creates a new normal where far fewer Canadians rely on a food bank in the future—and an opportunity to follow it.

Unfortunately, many of the programs introduced at the beginning of the pandemic were only temporary and have already come to an end or will soon phase out. Many Canadians, and food banks, are apprehensive about the months and years ahead, as economic hardship has not gone away, even if many support programs have.

As the country starts to slowly map out what our post-pandemic society will look like, it is especially important that we learn from the policies that were successful in helping Canadians support themselves during difficult times.

It is also important that we learn who fell through the cracks during this period to help us provide a more encompassing set of supports and initiatives for those who are most in need. This includes exploring in more detail why some demographics were economically impacted more negatively than others.

For example, Indigenous and racialized groups had higher numbers reporting a strong or moderate negative financial impact of COVID-19 than white Canadians, even after taking into consideration their differences in job loss, immigration status, pre-COVID employment status, and other demographic characteristics.¹

Looking forward - Canada now has an opportunity, and a choice. We can choose to revert to a pre-pandemic “normal” where more than 1 million Canadians every month need help from a food bank to make ends meet—or we can seize the opportunity to build a better Canada, one that leaves no one behind.

1 NEW SUPPORTS FOR RENTERS LIVING WITH LOW INCOMES

Even prior to the pandemic, food banks have been reporting every year that the high cost of housing is one of the main reasons why people walk through their doors looking for support.

In 2021, a national poll showed that 46 per cent of Canadians ranked the cost of housing as their largest obstacle to affording food - up from 21 per cent only a year before.²

Just under 70 per cent of all food bank clients live in private rental market housing in 2021, increasing from 60 per cent in 2010. Within that group, the vast majority are people who live within the lowest income group and spend well over 50 per cent of their income on rent and utilities.³ Spending this portion of income on housing is considered a “crisis” level, leaving little left over for other basic needs such as food and puts people at risk of homelessness.⁴ We were therefore encouraged to see the federal government introduce the National Housing Strategy (NHS) in 2017, something that Food Banks Canada had advocated for over many years.

As part of the NHS strategy, the federal government committed to spending around \$20 billion (equally matched by the provinces and territories for a total of \$40 billion) over 12 years, with the ultimate goal of removing 530,000 (half of) households from core housing need and reducing the number of chronically homeless people by half by 2030.⁵

Those were positive developments and sound government policy, yet very little, if anything, has been done since the strategy was announced to help people who currently need the support of food banks because of their high housing costs.

Most of the NHS investments have been put towards loans for the development of market housing rather than directly addressing the needs of the people who most need help. A 2019 Parliamentary Budget Office report found that the NHS changed very little in terms of how much funding the government invested in affordable housing. In fact, it found that the NHS actually slightly reduced the funding targeted for those in core housing need.⁶ Meanwhile, the erosion of affordable housing far outpaces its creation: for every affordable unit created, four are removed from the market.⁷

The pandemic and its repercussions have undoubtedly only amplified a problem that was already urgent across the country.

Since the beginning of the pandemic, we believe that the CERB and other pandemic-related supports, combined with local and provincial moratoriums on evictions and deferred payments, have stemmed the tide of renters having to seek help from their food banks, but we expect that to change. Furthermore, in many areas with high housing costs, the number of visits to food banks went up rather than down during the early months of the pandemic.

More recently, as government supports have been wound down and payments have come due, food banks have seen an increase in new clients needing support due to the high costs of housing.

Without immediate government action to support renters, we fear this trend will only get worse over the coming months and years.

A photograph of a multi-story apartment building with a textured, light-colored facade. The building features several balconies with metal railings. Some balconies have plants, including a large yellow flower box on one of the lower levels. The windows are white-framed and some have dark shutters. The building is set against a clear sky, and there are green bushes in the foreground.

OUR RECOMMENDATIONS:

- Immediately implement a national rent support program based on an expanded version of the Canada Housing Benefit so that Canadians who are struggling to afford their rent can access support while the rest of the National Housing Strategy takes effect.
- Significantly increase the amount that the federal government plans to invest in the Canada Housing Benefit so that everyone who is living on a low income becomes eligible for the benefit (remove any cap limit on how many eligible citizens can apply).
- Introduce new investments and address an important omission of the National Housing Strategy, to build supportive housing for people with mental and physical health disabilities, particularly for low income and marginalized populations.⁸
- To address the rate at which the stock of affordable housing units is being reduced, the government must explore new and faster ways to acquire affordable housing and should consider community-targeted funding and non-market solutions to housing acquisitions.

2 MODERNIZE AND EXPAND SUPPORTS FOR LOW WAGE AND UNEMPLOYED WORKERS

From February to April 2020, over 5.5 million Canadian workers were directly affected by COVID-19–related economic shutdowns across the country.⁹ Virtually overnight, the labour market in Canada was flipped upside down.

The economic impacts of the pandemic are likely to be felt for years to come. While many people have been able to return to their previous jobs, millions have been forced to turn to new, less stable employment or have yet to return to the workforce at all.

Exacerbating these issues is the outdated Employment Insurance (EI) system, which in the 2018–2019 fiscal year covered only 39 per cent of Canada’s unemployed workers, compared to over 80 per cent in the early 1990s,¹⁰ this shift in coverage demonstrates the evolved nature of work in today’s world.

The federal government has already announced that it plans to review the EI program in the years ahead.¹¹ This review is long overdue and welcomed, but there is concern that a full review of EI will take far too long to undertake and implement when immediate action is necessary.

For years, our data has shown that people who fall out of the labour force (i.e., people who are currently employed, or on EI and looking for work) are far less likely to seek support from a food bank than someone who is forced to turn to welfare or disability assistance.

For many, the road to the food bank starts with a job loss, then a year or less on EI (depending on eligibility), and then weeks of getting by on what is left of savings, informal support systems, and last resources until there is nowhere left to turn but social assistance—which does not provide nearly enough for basic necessities such as food.

Many food banks in Canada fear they will not be able to accommodate a tidal wave of new clients created by the pandemic while maintaining their level of support for long-term need created by decades of social policy neglect.

Unfortunately, recent Labour Force Survey numbers show that a potential wave of new food bank clients may not be that far away.

In May 2021, close to half a million Canadians who lost their jobs due to the pandemic had been fully unemployed for more than six consecutive months.¹² These are people who are struggling to re-enter the labour market and who may find themselves forced to turn to social assistance and food banks in the months ahead unless a better EI system is put in place very soon.



OUR RECOMMENDATIONS:

- Significantly extend the maximum duration of EI benefits beyond 45 weeks so that Canadians are not forced into our broken and grossly inadequate provincial social assistance system once their EI benefits run out.
- Immediately expand the Working-While-on-Claim (WWC) provisions in EI to allow workers to retain more of their income from temporary/part-time work while on EI without losing benefits or having their income clawed back.
 - Workers who are not punished for taking temporary/part-time work while on EI are more likely to reintegrate into the workforce quickly and obtain full-time employment.¹³
- Permanently broaden the EI qualifying definition of “employment” to include self-employed and precarious work.
- Review and reduce the number of qualifying “hours of employment” needed (currently between 420 and 700 hours of insurable employment) to better reflect the nature of modern jobs and working situations.
- Develop a new program within EI that specifically supports older workers (aged 45–65) who lose employment at a later age and who may need specific training and education programs catered to their needs to help them re-enter the modern workforce.
- Expand EI sickness benefits beyond 15 weeks to keep people off provincial disability programs which provide meagre supports and are very difficult to climb out of.
- To better support low-wage workers currently employed:
 - Expand the Canada Workers Benefit (CWB) further to allow more low-income workers to retain more of their earned income before taxes are clawed back.
 - Introduce government incentives to encourage businesses to pay living wages to all employees.
 - Introduce a Disability Hiring Strategy that includes training and incentives to encourage businesses to hire people with disabilities who are seeking employment (currently 2 in 5 unemployed Canadians with a disability aged between 25 and 65 are without work).¹⁴

A PATH FORWARD WHERE NO CANADIAN IS LEFT BEHIND (PROGRESS TOWARDS A MINIMUM INCOME FLOOR)

For years, food banks across the country have known that their services can only do so much. While they do everything possible to help their community during difficult times, they are also the first to argue that only government policies can address the root causes of food insecurity and food bank use: poverty and low incomes.

To put it simply, when sound social policies are put in place, food bank visits go down.

Unfortunately, much recent progress appears to have only been temporary, with the government winding down widely effective programs such as the CERB and various one-time benefit boosts in favour of less effective alternatives. Yet, while not perfect, it is still important to learn from the social policy lessons of the first few months of the pandemic, and we can use them as a foundation for the creation of a social safety net where no one falls through the cracks.

With the CERB coming to an end, it is important to start taking our next steps. The changes to the EI system are long overdue and a big step in the right direction, but too many Canadians will still be left behind.

It is estimated that 482,000 Canadians will not qualify to transition from the CERB, or the other pandemic benefits, to any of the new EI programs and will be far worse off than they were under the CERB.¹⁵ In September 2021 alone, nearly 300,000 Canadians stopped receiving benefits through EI, and a large portion of them are believed to be former CERB recipients.¹⁶

This group of people will likely face very difficult times ahead, with no other choice but to turn to the current provincial social assistance system, a grossly inadequate system that has been broken for many years.

Under the current system of provincial social assistance, one must be virtually penniless before qualifying for support.¹⁷ Furthermore, the average annual welfare income for a single person in 2019 was only \$9,394, an average of \$13,506 below the poverty line.¹⁸ And if one tries to work their way out of welfare, their benefits (cash and non-cash) are clawed back at punitive rates that destroy any incentive to work.

This is a system that has not evolved since the 1990s and that keeps people in a cycle of poverty that is extremely difficult to escape – as is demonstrated by the fact that over 50 per cent of people who are currently being helped by food banks are on either social assistance or disability supports.

Simply put, if the early months of the pandemic taught us anything, it is that Canada needs to work towards a new minimum income floor, at or above the official poverty line, to replace our current failed approach to supporting people who cannot access work.

This means adopting a new approach, one that provides every Canadian with a minimum income floor so they can lift themselves up and move ahead instead of keeping them down and holding them back.

The approach taken by the government during the first few months of the pandemic gave us a glimpse of what is possible with sound policies. It's time to use what we learned to build a Canada where no one is left behind.



OUR RECOMMENDATIONS:

- Fund and develop, in collaboration with the provinces and territories, multiple Minimum Income Floor pilot projects of various types across the country in various provinces and territories (in both rural and urban communities).
- Collect and analyze data from these pilot projects over multiple years to determine the type of Minimum Income Floor that is best suited to Canada's needs and accounts for Canada's regional differences.
- In the short term, allow all low-income households to have access to the non-cash benefits that are currently only available to those on social assistance (e.g., childcare subsidies, affordable housing supplements, drug and dental insurance).

4 INCREASE SUPPORTS FOR LOW-INCOME SINGLE ADULTS

Over the last few years, Food Banks Canada's annual HungerCount report has highlighted that single working-age adults account for a consistently increasing percentage of the people who need help from a food bank.

Over the last decade, the percent of single people using food banks has increased significantly, having grown from 38 per cent of households helped by a food bank in 2010 to almost half of all households helped (46%) in 2021.¹⁹

Looking at the staggering economic statistics for this group, it doesn't take long to determine why food banks have seen this jump. Using Canada's Official Poverty Measure (the Market Basket Measure), just over 1 in 10 Canadians live on or below the poverty line. If we look at only unattached (i.e. single) working-age people, that figure jumps to 33%: 1 in every 3 single adult lives in poverty.²⁰

This group alone represents a low-income population of 1.3 million people. These are Canadians who live in deep poverty, with average incomes that are —50 per cent below the poverty line. This means these individuals are often struggling to survive on about \$10,000 per year.

Given these statistics, it is hardly surprising that close to 1 in 5 single adults experience food insecurity and that so many need support from a food bank to make ends meet.²¹

This is a population that, from a government program perspective, has few places to turn and seems to have been largely forgotten by federal and provincial governments. Many members of this group have mental health issues that are exacerbated by poverty and low incomes.

As mentioned in our HungerCount 2019 report, single-person households that are food-insecure experience

higher levels of mental health issues than other households.²² Many people in this situation have mental health issues that go untreated because of lack of supports, are stuck in a cycle of inadequate social assistance or disability-related supports, or have lost a job and have nowhere to turn for new training and education programs to equip them to re-enter the workforce. All these issues have been heightened by the pandemic.

For decades, governments have focused policies on specific subsets of the population such as families and seniors, but have routinely overlooked single, working-age adults as a group that requires targeted action.

From an optimistic lens, Food Banks Canada is encouraged by recent announcements from the federal government that it will review its antiquated EI program, and we hope our recommendations outlined above (see recommendation 2) are implemented quickly, as they would have a positive impact on the lives of many single adults who are struggling to make ends meet.

Among those people who are unable to work, many are receiving social or disability assistance but cannot climb out of poverty because of the grossly inadequate supports and strict conditions that come with these programs. Current social assistance amounts do not consider the increased cost of living associated with having a disability. And among single Canadians, those with disabilities are facing the intersection of physical, mental, and financial struggles.



OUR RECOMMENDATIONS:

- Make single, low-income adults a priority consideration in all future poverty reduction and recovery policy measures, including an expanded and modernized EI, to ensure that this vulnerable population is no longer left behind.
- Develop new mental health measures as part of future health accords with the provinces and territories that include a specific focus on the needs of single, working-age adults.
- Implement our recommendation that governments move towards a Minimum Income Floor (see recommendation #3) for all to replace our current, broken social assistance system to address the high levels of deep poverty among single people with no attachment to the labour force.
- Beyond a Disability Hiring Strategy (see recommendation #2), the rapid implementation of the Canadian Disability Benefits that brings recipients to or near their Market Basket Measure (MBM) is needed to help pull more than 30 per cent of Canadians with a disability²³ out of poverty.
 - This implementation should also include a review of the MBM for Canadians with a disability so that the poverty line can better reflect the costly realities of living with a disability.

5 ENHANCE MEASURES TO REDUCE NORTHERN FOOD INSECURITY

Northern food insecurity remains a significant concern for Food Banks Canada. The issue will likely worsen because of the effects of the pandemic over the coming months and years unless some of the minimum income reforms mentioned in this report are quickly enacted. While consecutive federal governments have attempted to address this problem with various targeted programs and initiatives, it is clear that the current approach is failing.

Food Banks Canada has worked over the last few years to suggest ways to improve the Nutrition North program and Northern food insecurity in general. We are encouraged that the federal government has adopted one of our recommendations from our 2019 HungerCount report and now includes charities in the Nutrition North program on a pilot basis.

However, we remain concerned that food costs in the North have remained largely unchanged since the beginning of the Nutrition North program in 2011. For example, in Iqaluit, Nunavut, the cost of a nutritious food basket to feed a family of four in March 2018 was approximately \$1,721.56. The same basket of food would cost about \$868 in Ottawa.²⁴

Recent data released by Statistics Canada shows that the Nutrition North subsidy has not had the impact on food costs that many hoped for when the program was first introduced almost a decade ago.

As shown in the most recent numbers released by Nutrition North Canada, the average cost of the Revised Northern Food Basket in March 2018 was actually over 2 per cent higher than it was in March of the previous year, and only 1 per cent lower than in March 2011, prior to the launch of the Nutrition North program.²⁵

Measures announced by the program in 2018, such as new supports for traditional hunting and gathering programs (a measure that Food Banks Canada has advocated for), and a new Inuit to Crown working group to address

future challenges, are welcomed, but they are unlikely to be adequate to address the multiple challenges facing the North, especially in light of a pandemic that has already affected food supply chains issues in Northern communities.

With household food insecurity levels still unacceptably high in the territories, the cost of food barely changing since 2011, and social assistance income that has decreased in real terms, it is time for the federal government, in collaboration with the territories, to review their food security strategies in the North.

Organizations such as Food Banks Canada, the RFDA in Thunder Bay, Winnipeg Harvest, the Ottawa Food Bank, and the Community Food Sharing Association in Newfoundland (to name only a few) are doing what they can to support struggling Northern communities, but high shipping costs are stretching already limited funding to its limit.

Federal funding that flowed through Food Banks Canada during the early months of the pandemic helped many Northern food banks purchase food over the first year of the pandemic, but an already precarious situation is at risk of worsening over the coming months and years.

Addressing food prices and implementing food-driven solutions can only do so much. The federal government must also review its entire approach to the long-term root causes of food insecurity in the North if significant progress is to be achieved.



OUR RECOMMENDATIONS:

- Immediately start working towards a Minimum Income Floor (see recommendation #3) and away from the current broken social assistance system that keeps far too many Northern Canadians in a cycle of poverty and food insecurity.
- In collaboration with the newly formed Inuit to Crown Working Group, initiate a comprehensive review of Nutrition North Canada to determine why the program is only minimally achieving its objectives of reducing the cost of food in the North.
- Working in partnership with local groups, create a Canada-wide Northern Development and Revitalization Plan that is focused on the research and development of regional programs that aim to train workers and grow business in strategic economic sectors.

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