

Updates to Canada's Official Poverty Line and the Dimensions of Poverty Hub

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On September 8th, 2020, Statistics Canada updated the Dimensions of Poverty Hub, Canada's official poverty dashboard for *Opportunity for All*, Canada's first poverty reduction strategy.

This update included a revision to Canada's official poverty line, from a 2008- to a 2018-base Market Basket Measure (MBM), and included updated poverty thresholds and statistics.

The update to a 2018-base MBM was essential for ensuring that Canada's Official Poverty Line accurately reflected costs within the 'basket' – notably housing – that have increased at a faster rate than inflation. The revision was based on a multi-stage Canada-wide consultation process with a diverse range of stakeholders. The update was done in a way that allows for retrospective comparisons in data between 2012 and 2018.

In February 2020, Employment and Social Development Canada (ESDC) announced that using 2008-base MBM, poverty in Canada was reduced from 12.1% to 8.7% between 2015 and 2018. Using the updated 2018-base, during the same time frame, poverty is now said to have been reduced from 14.5% to 11.0%. By both measures, more than 1 million Canadians were lifted out of poverty between 2015 and 2018.

The Dimensions of Poverty Hub accounts for the multi-faceted nature of poverty by tracking poverty using indicators that go beyond this official poverty line, by monitoring the ability of individuals and families to better meet their basic needs and to move closer to it. It helps us to understand our progress in poverty reduction, for example, as more Canadians are able to afford healthy and nutritious food, live in appropriate and affordable housing, receive health care when they need it.

The Dimensions of Poverty Hub highlights dimensions of poverty that have improved in recent years, including the percentage of people living in poverty and the percentage in deep income poverty. It also highlights those which have not improved, including Canada's average poverty gap. Assessing this information in tandem allows us to understand that while poverty has become less common, the circumstances of those who remain in poverty have not improved.

While the September 2020 update of the Dimensions of Poverty does not yet reflect the impacts of COVID-19, it does provide useful insights on groups that were most at risk prior to the pandemic, and will serve as a baseline for measuring its impact on the various dimensions of poverty in the future. Statistics Canada expects to release 2019 data in early 2021.