‘For a brief shining moment’

The profound drop in Working Poverty in the Toronto Region

A pandemic miracle?

Working poverty in Toronto dropped by over 53%

John Stapleton and Richard Maaranen
November 2023
“However one counts the working poor, the general trend is clear: even where work is formalized, having a job does not always protect the worker and his or her family from poverty. Workers can be poor for a range of reasons, including household composition and work intensity within the household (the ratio between the number of working adults and the number of dependants in the household), a lack of social protection against certain life risks, the breakdown of informal solidarity networks and low wages.”


“Considering the advanced level of development of the State party [Canada], the Committee is concerned about the significant number of people living in poverty. It is further concerned that indigenous peoples, persons with disabilities, single mothers and minority groups continue to experience higher rates of poverty and at the limited effectiveness of measures taken to address that issue (art. 11).”


“We will also lift more Canadians – including children and seniors – out of poverty. Poverty and inequality are not just problems for individual Canadians – all of Canada is affected. For Canadians, poverty makes it more difficult to get and stay healthy, and more difficult to find and keep good work. For Canada, the costs of poverty – seen in higher health care costs and greater demand for social assistance – are immense.”

John Stapleton

John Stapleton worked for the Ontario Government in the Ministry of Community and Social Services for 28 years in the areas of social assistance policy and operations. During his early career, John was senior policy advisor to the Social Assistance Review Committee. His more recent government work concerned the implementation of the National Child Benefit.

John was a senior research associate with the Neighbourhood Change Research Partnership at the University of Toronto. He is former Chair of Ontario Soldiers' Aid Commission and is a volunteer with West Neighbourhood House and a former volunteer with WoodGreen Community Services of Toronto. He is a former Innovation Fellowship at the Metcalf Foundation. He teaches public policy. He sat on federal Minister Duclos' advisory committee on poverty reduction, the Minister of Community and Social Services advisory group on social assistance reform and Toronto’s advisory group on poverty reduction.

John has published op-eds in the Globe & Mail, National Post and the Toronto Star. He has written reviews for the Literary Review of Canada and written articles and studies for Ideas that Matter, the University of Toronto, the Canadian Centre for Policy Alternatives, the C.D. Howe Institute, Realize, the Caledon Institute, The Toronto Dominion Financial Group, the Metcalf Foundation, the Ontario Provincial Advocate for Children and Youth, Employment and Social Development Canada, Indian and Northern Affairs, Civic Action, Policy Options. Toronto.com and many others.

John is the former chair of the Board of West Scarborough Community Legal Services and is a member of the Council on Aging of Ottawa’s Expert Panel on Income Security. He is the Past President of the Canadian Horse Racing Hall of Fame and remains on its Board of Directors.

Richard Maaranen

Richard Maaranen worked for the University of Toronto as a geographic data analyst for eighteen years first with the Centre for Urban and Community Studies, then the Cities Centre, and finally the Factor Inwentash Faculty of Social Work on the Neighbourhood Change Research Partnership project. He has contributed to numerous reports on urban social economic changes occurring in Canadian cities. He produced the maps and charts in this report. He is an associate with Open Policy Ontario.

Acknowledgements

We would like to thank professor J. David Hulchanski, Dr. Carl James, and Yvonne Yuan for their review in the process of preparing this report, for helping to produce and validate the data and for their helpful comments in the process of preparing this paper.

Any errors or misapprehensions in this report are the responsibilities of the principal author.
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Achieving the Possible: Lessons from a Pandemic Response
by J. David Hulchanski, Professor
Factor-Inwentash Faculty of Social Work, University of Toronto

Throughout history, societies have been divided by income and wealth, leading to disparities in life opportunities. In Canada, these disparities significantly affect low-income, racialized, and Indigenous populations. Despite political and civic leaders often voicing a commitment to fairness and justice, socioeconomic inequalities have only deepened in recent decades.

This report presents a notable exception, a brief but dramatic reversal of income inequality and poverty rate trends. Regrettably, this reversal was brief and has since been undone.

The pandemic brought about an extraordinary change in public policy. In 2020 and 2021, Canada allocated $270 billion in public spending, or 12.3% of its GDP, to pandemic relief programs. This was in addition to the regular federal budget that was about $350 billion. These funds, primarily aimed at safeguarding the economy and housing market, supplemented the incomes of average and low-paid workers. This progressive distribution of funds temporarily reversed the rising rate of working poor.

For instance, in the Toronto metropolitan area, the proportion of the working-age population classified as working poor dropped to 3.3% in 2020, down from 7% five years prior. There was also a noticeable decrease in poverty among non-working poor individuals, from 8% in 2015 to 6.4% in 2020.

However, this massive distribution of income in 2020-21 wasn't a redistribution; it was a one-time event. The pre-pandemic socioeconomic conditions resumed post-pandemic without any significant institutional change to address long-term disparities. In 2022, the pandemic-related employment programs were terminated without any attempt to learn from this experience and implement permanent measures to reduce socioeconomic disparities.

While perpetually increasing spending by 12% of GDP is not sustainable, Canada, as one of the wealthiest nations on earth, can afford to annually redistribute a small percentage of its wealth to foster a more just society.

The fiscal austerity and tax cuts of the 1990s disproportionately benefited the top 15-20 percent at the expense of lower and middle-income groups, exacerbating social and spatial polarization. The pandemic further intensified this issue, as homes and neighborhoods were increasingly treated as financial assets rather than places to live and raise families, leading to displacement, overcrowding, and homelessness, often exacerbated by public policies and tax systems.

The 2021 Census, reflecting 2020 incomes, stands out as an anomaly in the measurement of inequality and poverty in Canada, underscoring the significant impact of pandemic benefits on low-wage workers. It demonstrates the feasibility of implementing inclusive and fair income and tax policies.

The justification for improvement is well-documented. Justin Trudeau’s 2015 election platform articulated the case succinctly: “Poverty and inequality are not just problems for individual Canadians – all of Canada is affected. For Canadians, poverty makes it more difficult to get and stay healthy, and more difficult to find and keep good work. For Canada, the costs of poverty—seen in higher health care costs and greater demand for social assistance—are immense.”

So, indeed, we can achieve more! We have proven that it’s possible to make a difference. Our collective actions during the pandemic have demonstrated that effecting change is well within the realm of possibility. We are armed with the knowledge of both the necessary steps and the methods to implement them. The onus now rests upon the shoulders of our elected officials—the Prime Minister, the Premiers, and their respective cabinets—to judiciously employ our resources in forging a more equitable Canada. The lingering question remains: What impediments now stand in their way?
Summary of key themes and findings

Working poverty is pervasive, racialized, and until the pandemic, was increasing in Toronto and across Canada. Until the pandemic, this increase was counterintuitive, during 2006 to 2016, as most of this ten-year period had been characterized by one of the most prolonged economic recoveries in recent memory.

During the pandemic, working poverty in the Toronto region dropped by over 50% (53%). Pandemic benefits took workers out of poverty at the same time as many of their jobs simply disappeared.

Before the pandemic, the single largest group of people living in poverty were working. The pandemic changed all that with the single largest group of the poor being those on what is known as income or social assistance.

In Toronto, despite economic growth, strong employment figures, and a robust job market, the region had one of the highest percentages of working poor. And while Toronto’s labour market was experiencing large increases in both the higher and the lower ends of the labour market, we found increases in working poverty across all occupational categories.

Until 2020, Canada’s two richest cities were, ironically, its two poorest cities with the highest rates of working poverty. In the Toronto CMA, 7% of the working age population were working poor. In 2020, this percentage dropped to 3.3%.

Until 2020, Toronto CMA was surpassed only by the Vancouver CMA where 7.3% of the working age population were working poor. In 2020, this percentage dropped to 3.6%.

With the return of low wage working poor jobs and the complete cancellation of all pandemic benefits, working poverty across Canada is destined to rise.

We could have learned lessons from the pandemic. Unfortunately, we did not.

Research and Data Acknowledgment

All charts and maps in this report have been provided by the Neighbourhood Change Research Partnership, Factor-Inwentash Faculty of Social Work, University of Toronto

www.NeighbourhoodChange.ca


Research Funding: Social Sciences and Humanities Research Council of Canada.
Until the pandemic.... working poverty continued to increase

The working poor live hardscrabble lives often travelling very long distances to take on bits of work here and there. A morning shift at a fast-food takeout, an afternoon gig at a dollar store, an office cleaning shift in the evening, and a few hours at a pizza call centre on the weekends — all to make ends meet. While they hustle to stitch together the pieces of their working lives as security guards, cleaners, line cooks, or cashiers, housing costs continue to rise faster than wages. Although minimum wages in Ontario have more than doubled since 2005, rental costs in many neighbourhoods have tripled or quadrupled. And over the past decade the cost of other necessities — like nutritious food — have increased far ahead of inflation, exacerbating the challenges facing Toronto’s working poor.

The convergence of low pay, multiple insecure jobs, long hours, and grueling transit trips, all in the face of higher costs for necessities, push the working poor to a life on the precipice of vulnerability where few have any sort of financial cushion. The result can be catastrophic if a loved one requires unexpected care, or one gets sick or injured or loses their apartment to a renoviction. And for many of the working poor who have public-facing jobs they must be well dressed and have a ready smile for the customer, even when they were less than a single paycheck away from a personal financial crisis.

In the first five years of the new millennium Toronto CMA working poor population grew by 42%. From 2006 to 2016, it increased by 27%. Although this slower growth was a welcome trend, the continued growth was troubling.

Our 2015 report illustrated a critical reason why working poverty continues to increase in Toronto. It revealed major job growth in only two categories: professional/knowledge and service entry. Other job categories were stagnant.

We also explored in our 2015 report how Toronto and Vancouver — Canada’s two richest cities — have become giant modern-day “Downton Abbeys” where a well-to-do professional/knowledge class results in an upsurge of low-income workers to provide the services that they require. The professional/knowledge
The main takeaway from the first three reports was that the rate of working poverty in Canada, Ontario, and the Toronto region was increasing. We understand that underemployment, growth in low-wage service sector jobs, fewer hours available to each worker, and layoffs were part of what is driving the growth of working poverty. The growth in precarious employment and the “gig” economy have all come together to increase the number of people who were working for wages that cannot sustain them and drawing incomes too low to lift them out of poverty.

This fourth report identifies the areas in the Toronto region that have a high concentration of working poor and describes general trends within the Toronto CMA and City of Toronto. We use disaggregated data from the 2020 census to explore how gender, age, education, racialized groups, and immigration status can help us understand potential underlying causes of working poverty while noting the profound reductions in working poverty that occurred.

Note: when we refer to the inner suburbs, we were referring to: Etobicoke, York, North York, Scarborough, and East York — what were the former municipalities of Toronto. Outer suburbs refers to the 905 regions of: Oakville, Milton, Mississauga, Brampton, Caledon, Vaughan, Richmond Hill, Markham, Pickering, and Ajax. Toronto CMA includes the inner City of Toronto and the city’s inner suburbs as well as the outer suburbs.

class rely on an increasingly large cadre of working poor to walk their dogs, pour their coffee, clear their dishes as they leave restaurants, courier messages between their offices, mind their children, and clean their houses.

This is why Canada’s two richest cities were also, ironically, Canada’s two poorest cities. Vancouver, at the height of the property boom in 2016, was Canada’s richest city with Toronto in a close second place. (See Figure 1.)

From 2006 to 2016 the rates of working poverty increased in all of Canada’s ten largest CMAs with the exception of Calgary and Edmonton. In 2021, the numbers and percentages plummeted.

### Figure 1:
Percentage of Working Poor Individuals Among the Working-Age Population, Canada and Ten CMAs, 2006–2021

<table>
<thead>
<tr>
<th>Population, Canada and Ten CMAs, 2006–2021</th>
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<td>Canada</td>
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<td>Halifax</td>
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<td>Québec City</td>
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<td>Montréal</td>
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<td>Ottawa</td>
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<td>Hamilton</td>
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<td>Winnipeg</td>
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<td>Calgary</td>
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<td>Edmonton</td>
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<tr>
<td>Vancouver</td>
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Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians).

Source: Statistics Canada, Census Custom Tabulation 2006-2021
Counting the working poor

Until the pandemic, the largest single group of people living in poverty had a job. In most parts of the country the working poor accounted for over 40% of those living in poverty. A somewhat lower number received social assistance but by 2021, they formed the majority of people living in poverty as they had limited access to pandemic benefits and did not qualify for the largest pandemic programs: the CERB and CRB.4

Working poverty and working age adults

When discussing poverty numbers as they relate to the working poor, it is useful to look at this segment of the population within a larger context. For example, it is important to also consider the percentage of people who were working, but who were not poor. In Canada, this has always been the largest portion of our working population.

But both groups — working poor and working non-poor — together, do not comprise the whole of the working-age (18 to 64) population. There were also non-working people who were poor — such as those on welfare, EI, CPP, or other income security programs and other sources. And there were non-

![Figure 2: Composition of the working-age population by work and poverty status, Toronto CMA, City of Toronto Former Cities, 2021](source)

<table>
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<tr>
<th>Composition of the Working-Age Population by Work and Poverty Status, City of Toronto Former Cities, 2021</th>
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<tr>
<td><strong>Working poor</strong></td>
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<td>Toronto CMA</td>
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<tr>
<td>Outer &quot;905 Region&quot;</td>
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<tr>
<td>City of Toronto</td>
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<tr>
<td>Former Municipalities</td>
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<tr>
<td>Scarborough</td>
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<td>North York</td>
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<td>York</td>
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<td>East York</td>
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<td>Toronto</td>
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<td>Etobicoke</td>
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Working Poor: Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians).

Source: Statistics Canada, Census Custom Tabulation 2021
working people who escape poverty through other means such as investments, inheritances, and other forms of income.

That is why we break down the composition of working-age people into four categories — two for people who were poor and two for people who were non-poor. (See Figure 2.)

In 2016, 7% of Toronto CMA’s working age population were in the working poor category. Another 8% were poor but not working. By 2021, this had dropped to 3.3% and 6.2% respectively. The latter number would include social assistance recipients and those with other forms of modest income. Individuals who work on a contractual or cash basis and do not draw a wage or salary will also fall into this “non-working” category, even though they work but worked less during the pandemic. This 6.2% also includes many in the informal economy, as well as gig economy workers such as drivers and food couriers, as they were currently classified as independent contractors. This non-standard work group, within the non-working categories, reveals not only the limitation of our definition, but also how much the labour force has changed in only the last ten years and especially during the pandemic.

Another 11% of Toronto CMA’s working age population were also not working, but not poor in 2016. This rose to 13.7% during the pandemic. The rise was undoubtedly affected by pandemic benefits.

Figure 2 also illustrates that inner suburbs like Scarborough benefited more from pandemic benefits than other areas of the City as a higher portion of pandemic benefits were paid into Scarborough than into the City or the CMA overall.

**Metcalf Foundation definition of “working poor”**

The term “working poor” does not have a widely accepted definition. In our 2012 report, The Metcalf Foundation developed a definition of working poverty which we continue to use for this report.

We define a member of the working poor as someone who:
- has an after-tax income below the Low-Income Measure (LIM) 
- has earnings of at least $3,000 a year
- is between the ages of 18-64
- is not a student
- lives independently (alone, as couple, or lone parent in a one-family household).

**Scope of our definition**

It is important to note that our definition of working poverty does not capture everyone who is working and poor. For example, it does not capture 16- and 17-year-olds, as well as children, who were working at poverty wages in
working poor households. And it does not capture the fast-growing cadre of seniors who have flooded the job market since the cancellation of mandatory retirement in Ontario in 2006.

Similarly, it does not capture those whose earnings are below $3,000 or those who are fulltime students who work and are living in poverty. And it does not cover an unknown number of working poor who do not live independently.

This latter group is controversial. Our data sources are not sufficiently robust to know how many people, living with their extended families, or a spouse, or with others are working poor. To give the truest possible picture we have excluded them, while we remain aware that this exclusion is subject to valid critique. If we knew more we could be more precise, but at this time we do not have the numbers.

Our definition was designed to take other income security programs into account and to refrain from conflating working poverty with other issues. For example, seniors have robust income security programs which result in very different issues when they work and remain poor. Similarly, people who work but make less than $3,000 are most likely to be also collecting social assistance. We want to ensure that when we talk about the working poor, we are speaking of a distinct population.

We have not adjusted, for inflation, the base earnings level of $3,000 used in 2012, for two reasons. The Canada Workers Benefit is still at $3,000 and is a valuable tax-based data source on working poverty. $3,000 works very well as a way of distinguishing the working poor as very few social assistance recipients worked beyond the $2400 a year exemption level operable in this program in both 2016 and 2021.

The working poor remain a unique group because their poverty straddles a range of incomes. Those with very low earnings are in more severe, or “deep poverty,” while those with higher earnings may have incomes just a few dollars below the poverty line and live in what we call “shallow poverty.” Policies to address working poor poverty include both labour market and income security strategies. Policies to assist seniors and children mostly involve income security programs. Strategies for social assistance recipients are much more profound and complex as most live in deep poverty without work.
What’s changed (and hasn’t) since 2006

Working poverty across the Toronto CMA

Until the pandemic, the incidence of working poverty continued to be highest in the City of Toronto, but variations within the Toronto CMA were stark. As we showed in our 2015 report, the rate of growth among the working poor is highest in areas outside the City of Toronto.

Even though explosive growth of working poverty in places like Milton, Pickering, and Ajax, was mainly fuelled by growth in the total populations, this replication of the urban pattern of working poverty is disturbing. Figure 3 illustrates this growth in working poverty in the outer suburbs of the Toronto CMA.

When we looked at these figures geographically we found that, by 2016, working poverty had increased to levels over 5% in many census tracts throughout

![Percentage of Working Poor Individuals Among the Working-Age Population, Ten Largest Cities in Toronto CMA, 2006–2021](image-url)

Source: Statistics Canada, Census Custom Tabulation 2006-2021

Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians).
Toronto’s outer suburbs of Mississauga, Brampton, Richmond Hill, Markham, Pickering, and Ajax. (See Map 1.) It is interesting to note that the drops in working poverty during the pandemic were more or less uniform except in the outer suburbs where the drops were more profound.

**The “Manhattanization” of Toronto**

From 2006 to 2016, working poverty expanded northward away from Lake Ontario and increased markedly in the outer suburbs. This may have been in response to rising property values, long waiting lists for subsidized housing, and higher private market rents. The pandemic did not change these underlying trends so we expect that working poverty will return in the post pandemic periods.

The “Manhattanization” of Toronto, whereby poorer individuals and families were being driven to both the inner suburbs and outer cities by rising property values and housing costs, continues to be obvious in this map. This phenomenon, which we first explored in our 2015 report, is why many now say that poverty does not stop at Steeles Avenue, the city’s northern most east-west thoroughfare.

**Map 1:** Percentage of Working Poor Individuals Among the Working-Age Population, After-Tax, Toronto CMA, 2021

Source: Statistics Canada, Census Custom Tabulation 2021
Focus on the City of Toronto

By many measures, Toronto is Canada’s richest city. It continues to emerge as a major information and communications, technology, and media hub, and the financial services capital of Canada.8

People working in these jobs suffered less in the pandemic because virtual communication and the capacity to perform the same work at home continued. For most working poor individuals, they were forced to attend their workplaces in order to retain their employment. The percentage of working poor across the Toronto Region only varied from 2.7% to 4.3% in 2021 while it varied from 5.6% to 9.7% in 2016. In other words, the working poor population in 2021 was much more uniform than in 2016.

In 2016, the former cities of North York and Scarborough showed the highest level of working poverty within the city. (See Figure 4.) This confirmed a general northern move in working poverty. It is a shift from the eastward movement we described in our 2012 report and signaled the “Manhattanization” of Toronto.

Figure 4: Percentage of Working Poor Individuals Among the Working-Age Population, Toronto CMA & Former Municipalities, 2006–2021

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<tr>
<th>Area</th>
<th>2006</th>
<th>2016</th>
<th>2021</th>
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<tr>
<td>Toronto CMA</td>
<td></td>
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<tr>
<td>Outer &quot;905 Region&quot;</td>
<td>7.0%</td>
<td>5.6%</td>
<td>3.3%</td>
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<tr>
<td>City of Toronto</td>
<td>8.1%</td>
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<tr>
<td>Former Municipalities</td>
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<tr>
<td>Scarborough</td>
<td>3.6%</td>
<td>4.1%</td>
<td>3.6%</td>
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<tr>
<td>North York</td>
<td></td>
<td>4.0%</td>
<td>4.1%</td>
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<tr>
<td>York</td>
<td>4.0%</td>
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<tr>
<td>East York</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
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<tr>
<td>Toronto</td>
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<td>7.8%</td>
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<tr>
<td>Etobicoke</td>
<td>3.4%</td>
<td>4.3%</td>
<td>7.2%</td>
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</tbody>
</table>

Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians).

Source: Statistics Canada, Census Custom Tabulation 2006-2021
The pandemic, however, with its uniform pandemic benefit structures and with higher job loss in poorer areas of the CMA resulted in working poverty to become less geographically diverse and more uniformly felt.

As Map 2 shows, by 2021, deep working poverty almost disappeared in the City of Toronto and shallow working poverty was much reduced compared to other years.

Although the story of the working poor is embedded in larger labour market trends, these did not show nearly as forcefully during the pandemic.

**Trends in the labour market**

During times of economic growth, as in 2000 to 2005, it was not unusual to see working poverty expand as poor unemployed individuals move into employment. From 2006 to 2016, however, working poverty continued to grow followed by the precipitous decline of the pandemic period. Despite the strong recovery in employment following the major recession of 2008–09, the long-term trend towards increased part-time employment and decreased full-time employment had remained in place.

**Map 2: Percentage of Working Poor Individuals Among the Working-Age Population, After-Tax, City of Toronto 2021 (Census)**

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*Source: Statistics Canada, Census Custom Tabulation 2021*
**The labour force**

The Toronto CMA has a higher full-time employment share than the rest of Ontario and Canada. The good news is that full-time employment is rising after bottoming out in 2014.

Similarly, Toronto’s part-time labour force is smaller than those in Ontario and Canada as a whole. Together, figures 5 and 6 illustrate the robust nature of the job market in the Toronto CMA.

The data for figures 5 and 6 is based on total work hours worked, so it includes employed and self-employed individuals. It is interesting to note that self-employment, which is generally more precarious, unsteady, and unpredictable, has been increasing steadily over time.

**Figure 5:**
Full-Time Employment Share, 1987–2021, Canada, Ontario and Toronto CMA

Full-time employment defined as 30 or more hours per week at main or only job. Source: Statistics Canada, Labour Force Survey estimates.
Rise of unstable employment

Work trajectories of individual workers had been affected by corporate restructuring. Previously, more often than not companies hired for the long-term. With the decline in permanent employment and the rise of precarious employment, career advancement had become a less frequent option and more entry-level jobs become dead-end positions.\(^9\)

New jobs are increasingly temporary or limited term contracts. Research conducted by McMaster University and United Way Greater Toronto found that individuals in these kinds of jobs are more likely to report fewer hours of work, experience more frequent periods of unemployment, and earn less money than those who have secure, full-time work.\(^10\) It will be interesting to see if these trends re-emerge in the post pandemic period.
Hourglass labour market

Corporate restructuring has affected not only the work trajectories of individual workers, but also the shape of the labour market. A Toronto Workforce Innovation Group report highlighted uneven job distribution in Ontario and the City of Toronto. Knowledge work and entry level service jobs have been experiencing a disproportionate amount of growth relative to middle skill, middle-income jobs. This results in the labour market resembling an hourglass, with the majority of workers clustered at the upper and lower ends, and a smaller proportion occupying the middle.

It is striking that in over 31 years of employment change (Figure 7) we actually have fewer middle working and working entry jobs in Toronto despite our growth in population.

Toronto's labour market shows large increases in knowledge worker jobs. These higher paid jobs are not only the fastest growing part of Toronto's employment market but comprise the single largest sector of the labour market and make Toronto the richest city in Canada. It is worthy of note that the sharp decline in service entry jobs had already been in place in the pre pandemic period while Knowledge work continued to grow unabated during the same period.

Figure 7: Employment Distribution by Occupation/Skill Level, City of Toronto, 1990–2021

The five groups are an update of Zissys (2014) based on type of work (occupation), educational requirements, and skill levels. "Knowledge" jobs are the highest level, requiring a university degree. "Entry" are the lowest skilled. "Middle" are between "knowledge" and "entry." "Working" refers to labourers in manufacturing, utilities, trades, construction, and transportation. "Service" refers to sales, retail cashiers, food servers, childcare, security guards, and related work.

However, not far behind until the pandemic, the second largest job sector had been entry service where most of Toronto’s working poor find employment. With this large employment sector, Toronto was not only Canada’s richest city; it became also one of its poorest. We expect service entry jobs with poverty wages to grow again in the post pandemic period again as the safety of those jobs has returned and pandemic benefits no longer exist.

There has been a great deal of research and analysis documenting recent shifts in the labour market, and much of the analysis points to worsening labour market conditions for some categories of workers and some groups of people. We posited that many of these worsening conditions have contributed to the growth of working poverty from 2000 to 2016.

If we look at the top declining and top increasing occupations, the numbers further support the *Downton Abbey* trend. We have the decline in almost all instances in middle jobs like manufacturing and heavy equipment jobs. (See Figure 8.)

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**Figure 8:**
**Top Eight Declining Occupations, 1987–2021, City of Toronto Labour Force**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Decline (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing, Utilities Labourers</td>
<td>-36%</td>
</tr>
<tr>
<td>Natural Resources, Agriculture</td>
<td>-36%</td>
</tr>
<tr>
<td>Manufacturing Machine Operators</td>
<td>-23%</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>-22%</td>
</tr>
<tr>
<td>Manufacturing Assemblers</td>
<td>-18%</td>
</tr>
<tr>
<td>Office Support Workers</td>
<td>-14%</td>
</tr>
<tr>
<td>Logistics</td>
<td>-5%</td>
</tr>
<tr>
<td>Public Support Workers</td>
<td>-4%</td>
</tr>
</tbody>
</table>

Public support workers includes home care support, educational support, legal support and public protection support.

We see increases in non poverty wage jobs especially in health as well as service entry working poor jobs such as food and beverage service, recreation and sport support jobs. (See Figure 9.)

Figure 9: Top Ten Growing Occupations, 1987–2021, City of Toronto Labour Force

Top Ten Growing Occupations, 1987–2021
City of Toronto Labour Force

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Service Assistants</td>
<td>274%</td>
</tr>
<tr>
<td>Science Professionals</td>
<td>270%</td>
</tr>
<tr>
<td>Law, Social, Govt Professionals</td>
<td>226%</td>
</tr>
<tr>
<td>Business, Finance Professionals</td>
<td>219%</td>
</tr>
<tr>
<td>Health Professionals (except nursing)</td>
<td>209%</td>
</tr>
<tr>
<td>Retail Sales Supervisors</td>
<td>151%</td>
</tr>
<tr>
<td>Legal, Social, Educational Paraprofessionals</td>
<td>151%</td>
</tr>
<tr>
<td>Health Technicians</td>
<td>138%</td>
</tr>
<tr>
<td>Art, Culture, Recreation, Sport Technicians</td>
<td>130%</td>
</tr>
<tr>
<td>Education Service Professionals</td>
<td>117% more jobs</td>
</tr>
</tbody>
</table>

**Occupational groups**

Although Toronto has a robust job market with growth in knowledge workers, middle service, and entry service jobs, it’s important to note that from 2006–2021, working poverty decreased across all occupational groups because of the pandemic effect. (See Figure 10.) Most notably, working poverty increased, then decreased in sales and service jobs. Pre-pandemic higher incidence of working poverty was also present in manufacturing and trades, natural resources, and arts, culture and sport related jobs. Business and professional showed the least incidences of working poverty even though they too experienced increases, then significant decreases.

**Figure 10: Percentage of working poor in Toronto CMA, Broad Occupational Groups, 2006–2021**

<table>
<thead>
<tr>
<th>occupational group</th>
<th>2006</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto CMA</td>
<td>5.0%</td>
<td>4.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Management/Business</td>
<td>3.3%</td>
<td>2.9%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Professionals</td>
<td>2.3%</td>
<td>4.8%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Art/Culture/Sport</td>
<td>5.3%</td>
<td>7.9%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Sales and Service</td>
<td>5.2%</td>
<td>8.0%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Manufacturing/Trades</td>
<td>4.8%</td>
<td>9.6%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>5.8%</td>
<td>11.4%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

**Occupations** for the independent working-age population who worked in the previous year. **Management/Business** includes management, business, finance and administration occupations. **Professionals** includes natural sciences, applied sciences, health, education, law, social and government services. **Manufacturing/Trades** includes manufacturing, utilities, trades, transport and equipment operators.

Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians).

Source: Statistics Canada, Census Custom Tabulation 2006-2021
How social policy affects working poverty

It is worth remembering that our definition of the working poor includes, as income, government transfers and accounts for income supplements. Many of these were created or increased during 2006 to 2016 and increased between 2016 and 2021. These social policy interventions helped to slow the growth of working poverty between 2006 and 2021. But as evidenced by the continued creep of working poverty rates in the pre pandemic period, income supports delivered through governments had not been sufficient to significantly reduce poverty until the pandemic. Of course, employment earnings matter.

Low-income worker benefits and interventions on family and child poverty

For some employed individuals, by 2021, the combination of income supplements — the Canada Workers Benefit, the Ontario Child Benefit, and a revamped Canada Child Tax Benefit — and increased wages, likely had the effect of tipping their incomes above the Low-Income Measure After Tax (LIM-AT).\textsuperscript{12}

The Canada Workers Benefit, introduced in 2007 and rebranded in 2018, is a refundable tax credit supplement for low earnings of working individuals aged 19 and over.

The Ontario Child Benefit, introduced in the 2007 provincial budget, targets low-income families. The amount of the benefit depends on the adjusted family income and number of children in the family.

The Canada Child Tax Benefit is the largest of Canada's refundable credits for low- and middle-income families with children less than 18 years of age.

But pandemic benefits temporarily increased Canada’s income security spending by over 30% in just one year and the now defunct CERB/CRB program was the largest income security benefit ever to be introduced in Canada.

Minimum wage

The provincial government has jurisdiction over the minimum wage for most sectors of the economy, and in Ontario, the general minimum wage\textsuperscript{12} was frozen at $6.85 in 1995. Between 2000 and 2005, the adult minimum wage moved from $6.85 to $7.45 — a $0.60 increase over five years. Between 2006 and 2016, the minimum wage increased from $7.45 to $11.40,\textsuperscript{13} — an increase
of $3.95 or 53% over ten years and almost three times the inflation rate of 17.7% over the period.\textsuperscript{14}

Currently, in 2023, the Ontario minimum wage is $16.55 an hour, an increase of over 120% since 2006.

In this report’s timeframe — 2006 to 2021 — the hourly wage rate of some of our lowest paid workers saw an increase that was more than four times greater than the increases during 2000 to 2005.

**Employment levels**

During 2006 to 2016, overall unemployment rates fell to historically low levels. But during this same period welfare recipiency increased. In Ontario, the number of social assistance recipients increased by 34.3\textsuperscript{13} while working poverty increased by 23%. In other words, both working poverty and welfare poverty were on the increase.

From 2016 to 2021, social assistance caseloads have moderated significantly especially during the pandemic and immediate post pandemic period.

Unemployment rose markedly at the outset of the pandemic but has now tumbled to 5.5% (August 2023).

**The demographics of working poverty**

We have reviewed where the working poor live and how they fit into the general composition of the working-age population, as well as labour market trends and the affects of policy interventions. We are now going to zoom in a little closer in terms of working poor demographics.

**Age and gender**

Figure 11 continues to show that younger adults, compared to workers age 45 and older, are more likely to be working poor. It also illustrates how working poverty in the Toronto region has increased across all age gradations. It is worth remembering that full-time students are not included in our definition of working poor.
It is also worthy of note that pandemic drops in working poverty are largely proportional. Job losses occurred across the sector and eligibility for pandemic benefits was not restricted among adults.

Education and gender

Figure 12 shows that the incidence of working poverty continues to go down with greater educational attainment. In addition, the rate of increase of working poverty over 2006–2021 has increased most dramatically among those without a high school education and least among those with a university education. Nevertheless, the dramatic differences in the prepandemic period were not as pronounced in 2021.

The decreases in numbers of working-age adults who did not finish high school may be because more adults are returning to school and completing their high school diploma. Also, older adults with no high school diploma

Source: Statistics Canada, Census Custom Tabulation 2006-2021
are retiring from the labour force in large numbers. Some without a high school diploma moved out of the Toronto CMA, perhaps in search of jobs with lower education requirements. And some may have moved in with other family/friends as mutually dependent households, especially if they became poor.

The rate of increase of working poverty among those who have not finished high school is a reminder of the importance of raising basic education levels as a matter of public policy. Though a small group, they’re at high risk levels for poverty. It also highlights the importance of addressing barriers around lower educational attainment in labour market strategies.

**Focus on gender**

Rates of working poverty decreased for both men and women by 2021. Working poverty in the Toronto CMA and the City of Toronto is, however, more pronounced among men than women. In fact, working poor men comprised 3.7% of working age men in the Toronto CMA, whereas working poor women represent 2.9% of working age women.
In the City of Toronto, 3.6% of working age women are working poor while 4.4% of working age men were working poor (Figure 13). In the city, working poverty among men exceeds the rate for women by a somewhat smaller percent compared to the region as a whole.

Why there is a greater concentration of working poverty among men - when we know that women are paid less overall - is somewhat of a paradox. However, it is also the case that among single people receiving social assistance (Ontario Works) in Toronto, two-thirds of recipients are male and one third are female.16

We can only conjecture why men continue to do less well at the lower end of the labour market. In part, it may reflect the incline and decline of job categories shown in figures 9 and 10. Traditionally, more men than women have worked in manufacturing, and more women than men in service.

Also, more women may be in the non-working poor category because childcare responsibilities limit their participation in the workforce. We also know that women’s long-term labour force engagement has continued to rise while it is declining for men.17
Full-time minimum wages at $16.55 nudged a worker well above the poverty line at $32,270 a year in 2023. Perhaps more women in the working age population work full-time or near full-time. It is also true that important government child benefits are paid almost exclusively to women.

Figure 13 also shows that growth of working poverty, among men, was highest for residents of Scarborough and Etobicoke, where net job loss is most apparent between 2006 and 2016. It was also high where job growth is very modest (North York and East York). It also shows that male working poverty was most pronounced in these four former municipalities, which implies that working poverty among males is of particular concern where overall job loss or modest gains are apparent.

**Immigration status**

The disaggregated Census of Canada immigrant and non-immigrant data, as provided by Statistics Canada, categorizes the population as White or visible minority. The Employment Equity Act defines visible minorities as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” This population includes, but is not limited to, the following groups: South Asian, Chinese, Black, Filipino, Latin American, Arab, Southeast Asian, West Asian, Korean, and Japanese. Metcalf Foundation chooses to use the term racialized, instead of visible minority, in alignment with the Ontario Human Rights Code, which defines race as a social construct and considers the term visible minority outdated and inaccurate.

**Figure 14:** Percentage of Working Poor in Toronto CMA, Non-Immigrant White/Racialized, 2006 and 2021

| Percentage of Working Poor in Toronto CMA Non-Immigrant White/Racialized, 2006–2021 |
|---------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                                  | 0% | 1% | 2% | 3% | 4% | 5% | 6% | 7% | 8% | 9% | 10% | 11% | 12% |
| Toronto CMA non-immigrant       | 3.4% | 2.5% | 4.5% |  |  |  |  |  |  |  |  |  |  |
| White                           |  | 2.3% | 3.3% | 4.2% |  |  |  |  |  |  |  |  |  |
| Racialized                      |  | 3.6% |  | 6.5% |  |  |  |  |  |  |  |  |  |
| Black                           |  |  | 4.6% |  |  |  |  |  |  |  |  |  |  |
| Chinese                         |  | 3.5% |  | 3.5% |  |  |  |  |  |  |  |  |  |
| South Asian                     |  | 2.0% |  | 5.3% |  |  |  |  |  |  |  |  |  |
| Filipino                        |  | 2.5% |  | 4.0% |  |  |  |  |  |  |  |  |  |

Independent working age population defined as individuals who are between 18 and 64, non-students living alone, as lone parent, or as adult couple. Excludes mutually dependent households: adult non-students living with parent(s) and multi-person non-family, non-couple arrangements. Working status refers to persons having job earnings no less than $3,000. Poor status refers to individuals with census family income below the Low Income Measure (50% of adjusted after-tax median income of all Canadians). Non-immigrant refers to persons born in

Source: Statistics Canada, Census Custom Tabulation 2006-2021
Figure 14 shows that among those born in Canada (the non-immigrant population); white and Filipino workers have the lowest incidence of working poverty. Black workers had the highest incidence and percentage but the largest drop during the pandemic possibly because of higher job loss but more uniform eligibility for pandemic benefits.

Figure 15 shows that Immigrant Filipino workers had the most precipitous drop in working poverty while immigrants overall experienced much higher reductions in working poverty than non-immigrants.

A note on working poverty among Canada’s Indigenous population

We know that Canada-wide, in 2016, working poor Indigenous individuals comprised 7.4% of the working-age Indigenous population, a ratio that exceeds the total Canadian population of working poor individuals (5.6%) by 32.1%. During the pandemic in 2021, working poverty among Indigenous working-age people dropped to 4.3% in Canada.

We also know that working poverty among Indigenous workers decreased 8.3% to 7.4% from 2006 to 2016 — a reduction of 11%. On the surface, this looked like good news. However, the complex realities of Indigenous poverty do not permit us to make any hard conclusions.
Working poverty in Toronto’s Black work force

“A good starting place is to understand that aggregating communities under the broad category of “visible minority” in Canada, masks the historical and social differences and unique challenges or barriers that Canadians within this category face. Understanding the life trajectories of Black Canadians specifically, requires acknowledging their historical and social context, the reality of anti-Black racism, and the reluctance of Canadians to acknowledge that this phenomenon has existed in our nation for hundreds of years.”

– Carl James and Kofi Hope
The Working Poor in the Toronto Region – Metcalf Foundation -2019

Throughout this report, we have emphasized the importance of the pandemic and pandemic benefits in the data and outcomes we see in 2020-21 Census. We see working poverty falling precipitously due to job loss and pandemic benefits. At the same time, we have said that working poverty will rebound as poverty level jobs are returning and pandemic benefits no longer exist.

But we have yet to comment on the differences in outcomes based on race and ethnicity, immigrants and non-immigrants. In this report we have noted the news

Map 3: Black Working-Age, Percentage of Working Poor, Toronto CMA, 2021

Source: Statistics Canada, Census Custom Tabulation, 2021
that working poverty fell the most in the immigrant and non-immigrant Black community, an outcome which could be seen by many as a positive outcome. But there is reason to believe that this outcome is much more nuanced. For example, we know that many more Black people succumbed to the pandemic and death rates were higher in this community. We also note that in Map 3 and Map 4, incidence of Black working poverty is much higher than in the overall City and region where working poverty in some measure seems to almost disappear.

We also know that working poor Black workers had jobs before the pandemic that required the worker to attend the workplace and many of these jobs were either not performed or not required during the pandemic. These jobs included office cleaners and mall workers. The job loss that reduces working poverty is not a positive story unless the work is replaced by better work. It was not.

Map 4: Black Working-Age, Percentage of Working Poor, City of Toronto, 2021

Source: Statistics Canada, Census Custom Tabulation, 2021
In our previous report, Carl James and Kofi Hope provided important contextual analysis to help readers frame the evidence that showed how Black immigrants were less likely to be among the working poor than their second and subsequent generational counterparts:

“This is contrary to the logic that the longer one resides in a society, the more one gains the knowledge needed to socially and economically participate. Actually, it appears that the longer Black families live in Canada and interact with Canadian institutions, the more difficult it becomes for them to overcome entrenched barriers.”

“There are other specific factors to consider that drive the disproportionate rates of Black working poverty. One critical reality is that many of the factors we know to be drivers of working poverty for all citizens in the GTA, are seen in large numbers within Black Canadian populations.”

With specific regard to Census 2020-21, we also know that among 13 ethnocultural groupings, Black people in the Toronto Census Metropolitan Area (CMA) face much greater adversity as they have:

- The highest percentage of housing in need of major repair (8.5%)
- The third highest incidence of overcrowding (29.9%)
- The highest percentage of private market and subsidized renters (55% and 10%)
- The lowest percentage of homeowners with and without mortgages (39% and 6%)
- The second lowest incidence of attaining a university degree among immigrants and non-immigrants (23% and 26%)
- The highest impact of Covid-19 infection
- The third highest occupational vulnerability to Covid-19 exposure
- The second highest incidence of working outside the home during the pandemic (89%)
- Homes likely to be located in Brampton, Scarborough or Etobicoke
- The highest rate of receipt of Covid-19 benefits (along with Latin Americans)
- The second highest rate of commuting to work by public transit during the pandemic
- The highest incidence of commuting more than an hour during the pandemic
- The second highest incidence of working poverty during the pandemic.

These factors provide us with the essential context that allow us to understand why Black working poverty fell - even though it decreased most in the Black community in the Toronto Region - it did so in ways that say more about job loss and Covid-19 exposure than it does about positive work outcomes for this community.
Concluding thoughts

The scope of this report is somewhat different than our previous three as Canada and every nation in the world experienced a world-wide pandemic, perhaps a once in a century event. Using the full power of Canada’s census that was taken in the height of the pandemic, we are able to provide a deeper look into systemic and structural forces as play, including gender and racialized aspects of working poverty.

Canada’s commitment to poverty reduction

Poverty line targets are now part of the federal laws of Canada. We have a new official poverty line and a target to reduce poverty, from 2015 to 2020, by 20%. On March 19, 2019, the government noted that it had met its target in 2017 — a full three years ahead of schedule, no doubt due to new benefits for children, seniors, and people with modest working incomes. Over the next 11 years — 2019 to 2030 — Canada committed to reduce poverty by 50% — what looked like a much more difficult and challenging goal.

When the Government of Canada announced that Canada’s poverty rate had fallen from a 2015 high of 14.5% to a mid-pandemic low of 6.4%, our nation achieved its legislated 15-year long 2030 goal of a 50% drop in poverty in one third the time previously planned.

In fact, poverty dropped by a whopping 55.8% from 2015 to 2020, a reduction that few if anyone really expected by 2030 let alone much earlier.

Curiously, the Government of Canada had routinely announced drops in poverty after they came into power and they were quick to state that poverty had dropped by 20% (the first legislated goal) two years early in 2018.

But when they achieved the second much more important goal in record time, there was neither announcement nor self-congratulation. There was no news release and no celebration.

In a very real sense, the Government of Canada refused to acknowledge its own victory and by 2021, it had begun to lose that race. By 2021, the poverty rate grew to 7.4% and the overall reduction in poverty had deteriorated to 49.0%, just short of the millennial goal in legislation. The Government of Canada had started to 'un-win' their 2030 objective.

It is also clear that poverty will further increase with the complete loss of pandemic benefits by the end of 2022 and the increases we are seeing in work that attracts poverty level wages. Many of these jobs disappeared during the pandemic reducing the number of working poor in Canada.

For the Government of Canada, its refusal to acknowledge its victory can also be seen as an act of defiance. It did not want programs which it intended to cancel to help them meet its anti-poverty objectives.
In fact, through both its Officers of Parliament like the Auditor General and its own Finance Minister, the Government has disparaged the programs that did so much to help Canada meet its millennial hurdle.

But it was not until benefits came to their end that the Government confirmed that they harboured suspicions and resentment concerning their own handiwork. In her report on Covid-19 benefits, Canada's Auditor General had the following to say:

“As with the Canada Emergency Response Benefit, we found that the lowest-income recipients of the Canada Recovery Benefit could earn more from receiving the benefit than from working. Low-income earners (with gross earnings of $20,000 or less per year) who received the recovery benefit for all periods (54 weeks) effectively replaced their annual income by 119%.

“In our opinion, the ability for low-income individuals to earn more on the Canada Recovery Benefit represented a disincentive to work, which impacted some labour markets at a crucial time when the need for employees was trending upwards.”

In Budget 2023, Finance Minister Chrystia Freeland cloaked suspicion and resentment in the language of efficiency and integrity when she doubled down on pandemic benefit overpayment collection:

“To minimize delays and ensure that Canadians received the support they needed, benefits arrived quickly. Inevitably, this led to overpayments and, in some cases, abuse of the system. In Budget 2023, the Government is taking further action to ensure the integrity of Canada's emergency benefit system. Budget 2023 proposes to provide $53.8 million in 2022-23 to Employment and Social Development Canada to support integrity activities relating to overpayments of COVID-19 emergency income supports.”

Canadians are now being clearly told that achieving a legislative victory of a 50% reduction in poverty is of no consequence unless it is achieved through a different course yet to be named.

**Toronto 2006 to 2021**

In the post pandemic world, new shifts in the labour market towards low paid service entry work suggest lower employment incomes for a growing segment of the working population. So while good social policy and programs are clearly important tools in the fight against poverty, the social impact of labour market policy remains critical.

We continue to need to value work done by those who are in low paying jobs and find a way to increase hours worked and the regularity of employment. We also must be vigilant about protecting minimum wage increases and pay close attention to living wage campaigns.

It is not difficult to imagine the stress and frustration that comes from working and yet not being able to afford the
basic necessities. Perhaps more subtle to grasp are the social and economic implications for our city — as well as the region — when the ranks of the working poor could continue to grow.

It is also important to target racialized and gendered working poverty. We must seek to fully understand why more men are working poor than women, just as we must try to explain why some racialized immigrants are able to move out of working poverty while other groups are not.

That we continue to see working poverty persist among second and subsequent generations of the Black community is troubling. Our responses and strategies need to be rooted in analysis of anti-Black racism, and be designed to address systemic and structural issues that continue to marginalize the Black community.

As described in our 2012 report, we continue to witness the “Manhattanization” of Toronto. This means service class and low-wage workers, unable to afford to live in close proximity to their work, are moving northward into the inner and outer suburbs. This trend is especially concerning when we consider that this service class of working poor are almost two-thirds — 63% — are racialized.

One significant implication of the “Manhattanization” of Toronto is that fewer and fewer service class/low-wage workers will be able to afford to live within close proximity to their work, or even within in the same city. This is a trend even though the numbers of working poor within the City of Toronto itself continue to slowly increase.21

As working poverty migrates out of the city to all of the outer suburbs, these communities will need to develop new services and resources to support greater numbers of working poor in both the immediate and the long term. Boundaries continue to blur, in terms of where people work and live. In addition to income security, services, and improvements to social and labour market policies, more affordable housing and transit must also be part of the equation. The reality is that most people living in poverty are renters in the private market.

As of 2021, Toronto cut its working poverty by more than half and immigrant working poverty by almost two thirds yet both politically and in our social world, we simply have not celebrated this important victory simply because it occurred due to unplanned events and through programs whose purposes were aimed elsewhere.
Looking ahead

On June 21, 2019, Bill C-97 received Royal Assent and became the law of the land. The new poverty line is contained within it along with the targets and measures we have discussed here.

The 20% target largely included people living in what we term shallow poverty, versus deep poverty. The 50% target for 2030 although already achieved once will be far harder to maintain as it is harder to boost those of working age out over poverty than it is children and seniors.

Among the working poor, some live in shallow poverty with earnings near the poverty line, and some have earnings that are just above the $3,000 a year threshold for working poverty as we have defined it.

No other group within the poor exhibit this amplitude except for people with disabilities. For example, social assistance recipients are almost all living in deep poverty while the remaining seniors who live in poverty are living in shallow poverty. Accordingly, we can expect governments to have their highest rate of success with the working poor who have substantial attachments to the work force. But there will still be a need to tackle deep poverty among the working poor.

As we have shown, continued increases in working poverty are not only fueled by the growth in the service economy, but also the relentless growth in good professional and creative jobs that continue to rely on workers whose pay rate does not permit them to escape poverty. This divide in our labour force is an important part of the social contract that includes all of us.

We all lose out when a significant part of our labour force cannot make ends meet even though their main source of income is through employment earnings. The reality is that, over time, the cost of poverty exceeds the cost of alleviating it. Accordingly, we need to inspire ourselves to do better than we have to date to ensure that those who work are never poor.

Our previous reports on the working poor spawned a number of reports by others in various jurisdictions including many Ontario cities, Vancouver, and Montreal. Still others have used our data to inform and enrich their work. We are hopeful that this trend continues and that others will use our datasets to conduct their own reviews and continue the fight to lessen working poverty in Canada.
In 2019, we said

“The next new area of interest will be the Census of 2021 where we will discover whether the long-term growth in working poverty will continue or whether income security, our economy, and labour market measures like higher minimum wages will stem the tide.

It won’t be that long before we know.”

We could not have known that it would take a pandemic to reduce working poverty in the Toronto Region by more than 53% - for a brief shining moment.

Let’s hope we can use the wholly unintended job losses and completely unplanned pandemic benefits related to this long event to provide lessons to help governments and civil society make new inroads into the eradication of working poverty.

The next years will show us the way.

**The Working Poor series: Data sources**

The data sources for our first report: *The Working Poor in the Toronto Region: Who they are, where they live, and how trends are changing*, were the Survey of Labour and Income Dynamics and the 2001 and 2006 Census of Canada. We reported all figures for individuals, not households or families. We examined the SLID from 1996 to 2005, and the 2001 and 2006 Census of Canada data.

The primary source for our second report: *The Working Poor in the Toronto Region: Mapping working poverty in Canada’s richest city*, was the T1 Family File derived primarily from income tax returns. The data were taken directly from the T1 Family File (T1FF), built from the income tax and the Canada Child Tax Benefit records. Information on income is obtained from the tax filers. Demographic information is derived from tax filers and non-filing spouses and/or children.

The data sources for this report, and the previous report from 2019: *The Working Poor in the Toronto region: A closer look at the increasing numbers*, are the 2016 and 2021 Censuses of Canada and the Canadian Income Survey (CIS).

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1. Note: when we refer to the inner suburbs, we were referring to: Etobicoke, York, North York, Scarborough, and East York — what were the former municipalities of Toronto. Outer suburbs refers to the “905 region” cities and towns of: Oakville, Milton, Halton Hills, Mississauga, Brampton, Caledon, Vaughan, Richmond Hill, Markham, Whitchurch-Stouffville, King, Aurora, Newmarket, East Gwillimbury, Georgina, Bradford West Gwillimbury, New Tecumseth, Mono, Orangeville, Uxbridge, Pickering, and Ajax. Toronto CMA includes the inner City of Toronto and the city’s inner suburbs as well as the outer suburbs. This definition of Toronto from Statistics Canada represents the extent of the urban labour market for census purposes and is similar to that of the larger Greater Toronto Area (GTA).


3. From our second report, The Working Poor: Who they are, where they live, and how trends are changing. Page 15

4. This number is derived from a number of data sources including CARP, our working poor data, and social assistance administrative files from across the country.

   It should be noted that our definition of poverty (LIM-AT based) is simpler than the Market Basket Measure (MBM) which has become Canada’s official poverty line. The MBM is more sophisticated as it attempts to calculate disposable economic family incomes after-tax in relation to a poverty line that takes into account regional differences in the costs of basic necessities (food, clothing, shelter, health care) and number of persons. One weakness of the MBM is that unattached individuals (non-couple, unrelated) living together in the same household are “not in an economic family” and each person has a poverty line that is the same as someone living alone even though the cost of living (food, shelter, etc.) is almost certainly shared between them. This also applies to unattached individuals living alongside an economic family in the same home.

6. $3,000 is the income threshold for receiving a Canada Workers Benefit, formerly the Working Income Tax Benefit.


9. Zizys, 2010

10. Lewchuk et al., 2013

11. Zizys, 2010

12. There are separate minimum wages for students 18 or younger, liquor servers, homeworkers, and hunting and fishing guides.


14. There were not minimum wage increases in Ontario in 2011 or 2012.

15. The number of social assistance beneficiaries in Ontario at 2006 year-end was 684,852 and 919,520 at the end of 2016 according to Ontario government reports no longer available online.


19. https://recherche-search.gc.ca/rGs/s_r?st=s&num=10&s3bm3ts21rch=x&st1rt=0&langs=eng&cdn=canada&q=persons%2C+other+than+Aboriginal+peoples%2C+who+are+non-Caucasian+in+race+or+non-white+in+colour

