

Opportunity for All – Canada’s First Poverty Reduction Strategy: How Are We Doing?

Objective

To compare and track the progress of indicators relating to poverty in Newfoundland and Labrador (NL) and Canada (CA).

Practice Points

1. Poverty is the condition of a person who lacks the financial resources and essentials necessary for a basic standard of living. Poverty is more than just a lack of money, it also includes deprivation of resources, means, choices and power that hinder an individual’s ability to meet their basic needs and participate in society effectively. It can lead to poor physical, emotional, and behavioural health.
2. Oppression, intergenerational trauma, racism, discrimination, lack of opportunity and other systemic forces also shape the experience of poverty.
3. In Aug 2018, the Government of CA released Opportunity for All-CA’s First Poverty Reduction Strategy with a vision of reducing and eradicating poverty in CA. The Poverty Reduction Strategy set concrete targets to reduce poverty by 20% by 2020 and 50% by 2030, relative to 2015 levels (in 2015, the poverty rate was 14.5%, representing over 5 million people living in CA who were in poverty).
4. CA’s Poverty Reduction Strategy introduced the Official Poverty Line for CA (based on the Market Basket Measure (MBM)) and established a dashboard of 12 indicators (see www.statcan.gc.ca/en/topics-start/poverty for a description of these indicators) under three key pillars to track progress on poverty reduction for Canadians and their households.

Methods

1. Data for the 12 indicators was obtained from Statistics CA and the Organization for Economic Co-operation and Development’s (OECD) Programme for International Student Assessment (PISA) study.
2. Comparisons with previous values were made for each indicator and data for each indicator was compared between NL and CA (where available).

Results

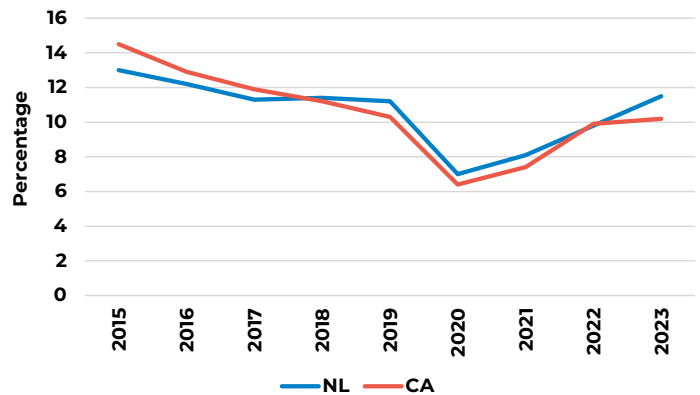


Figure 1. Official Poverty Line for NL and CA (MBM) (%), 2015-2023

- In 2023, the poverty rate was 11.5% in NL and 10.2% across CA (a 12.7% difference).
- Overall, from 2015-2023, the poverty rate decreased by 11.5% in NL and by 29.7% in CA.

Table 1. Three Key Pillars Used to Track Progress on Poverty Reduction for Canadians and Their Households.

Dignity	Lifting Canadians out of poverty by ensuring basic needs – such as safe and affordable housing, healthy food and health care are met
Opportunity and Inclusion	Helping Canadians join the middle class by promoting full participation in society and equality of opportunity
Resilience and Security	Supporting the middle class by protecting Canadians from falling into poverty and by supporting income security and resilience

Table 2. Poverty Dashboard Indicators for NL and CA

	Indicator	NL				CA				Reference Period	
		Most Recent Value	Previous Value	Trend	% Change	Most Recent Value	Previous Value	Trend	% Change		
Dignity	Deep Income Poverty ¹	–	–	–	–	5.5%	5.1%	▲	+7.8%	2022 to 2023	
	Unmet Housing Needs and Chronic Homelessness ¹	Unmet Housing Needs	8.0%	10.5%	▼	-23.8	10.1%	12.7%	▼	-20.5%	2016 to 2021
		Chronic Homelessness ¹	–	–	–	–	30.2%	27.6%	▲	+9.4%	2023 to 2024
	Unmet Health Needs	11.4%	10.7%	▲	+6.5%	9.1%	9.2%	▼	-1.1%	2022 to 2023	
	Food Insecurity	23.9%	19.7%	▲	+21.3%	19.1%	16.9%	▲	+13.0%	2022 to 2023	
Opportunity and Inclusion	Relative Low Income	16.2%	15.8%	▲	+2.5%	12.0%	11.9%	▲	+0.8%	2022 to 2023	
	Bottom 40% Income Share	21.1%	21.6%	▼	-2.3%	21.1%	21.1%	–	0.0%	2022 to 2023	
	Youth Engagement	12.0%	11.0%	▲	+9.1%	10.0%	10.0%	–	0.0%	2024 to 2025	
	Low Literacy and Low Numeracy	Low Literacy (15-year-olds)	25.1%	15.3%	▲	+64.1%	18.1%	13.8%	▲	+31.2%	2018 to 2022
		Low Numeracy (15-year-olds)	33.9%	21.3% ²	▲	+59.2%	21.6%	16.3%	▲	+32.5%	
Resilience and Security	Median Hourly Wage	All	\$28.00	\$27.60	▲	+1.4%	\$30.77	\$30.00	▲	+2.6%	2024 to 2025
		Women	\$26.19	\$25.00	▲	+4.8%	\$28.85	\$28.00	▲	+3.0%	
		Men	\$30.00	\$30.00	–	0.0%	\$33.00	\$32.00	▲	+3.1%	
	Average Poverty Gap ¹	–	–	–	–	32.9%	32.1%	▲	+2.5%	2022 to 2023	
	Asset Resilience	60.6%	52.2%	▲	+16.1%	71.4%	67.1%	▲	+6.4%	2019 to 2023	
	Low Income Entry Rates and Low Income Exit Rates	Entry Rates (All persons)	3.6%	4.7%	▼	-23.4%	4.1%	5.0%	▼	-18.0%	2021/2022 to 2022/2023
Exit Rates (Persons in low income)		30.2%	32.0%	▼	-5.6%	34.9%	32.5%	▲	+7.4%		

¹No comparable data for NL.

²This value is for 2012. The reference period comparison is 2012-2022 for low numeracy in NL.

- Indicators with comparable data have been trending in the same direction for NL and CA except for unmet health needs and low income exit rates.
- In both NL and across CA, rates of food insecurity, relative low income, low literacy and low numeracy have all been trending in the wrong direction. In NL, unmet health needs, bottom 40% income share, youth engagement and low income exit rates have also worsened.
- Unmet health needs, food insecurity, relative low income, youth engagement, low literacy, low numeracy, median hourly wages, asset resiliency and low income exit rates are all worse in NL compared to CA.

Conclusions

1. Poverty is complex and requires a range of solutions to address the many dimensions of poverty.
2. Although the poverty rate in CA decreased by 30% from 2015 to 2023 (and CA met its first target of reducing poverty by 20% by 2020) the poverty rate has continued to increase since 2020. If strategies and policies do not change, CA will not meet the 2030 target of a 50% decrease in poverty relative to 2015 levels.
3. From 2015 to 2023, the poverty rate in NL decreased by only 11.5% (compared to 30% for CA) and in 2023 the rate was nearly 13% higher in NL compared to CA. Values for many of the dashboard indicators were also worse in NL compared to CA. In Nov of 2023, the Government of NL announced a new poverty reduction plan that focused on improving the overall well-being of Newfoundlanders and Labradorians. Major work still remains to achieve this goal.