

METCALF FOUNDATION

Working Poverty Increases in Toronto Region

New Metcalf Foundation Report: Full-time job earnings often not enough to escape poverty.

Toronto, Ontario, February 11, 2012 — The number of working poor in the Toronto Region increased by 42% between 2000 and 2005, according to a new study from the Metcalf Foundation. This group accounted for more than 70,000 adults in the city of Toronto and more than 113,000 in the region overall. Toronto's working poor live in a region with the highest cost of living in Canada, and the second most expensive housing market in the country.

While past reports have looked at working poverty on a national level, this report, *The "Working Poor" in the Toronto Region: Who they are, where they live, and how trends are changing*, is the first to look at working poverty in the Toronto Region.

"Across the Toronto Region, many people are working in jobs where they remain poor. The people serving you at a food counter are often struggling to put food on their own table," said the report's co-author, John Stapleton.

According to the reports key findings, the working poor:

- are more likely to be immigrants (73%);
- work a comparable number of weeks per year to the rest of the working-age population;
- hold jobs mainly in sales and service occupations (close to one-third compared to one-fifth of the overall working population);
- are more likely to live without an adult partner (63%) than the rest of the working-age population (78%);
- are only slightly less educated than the rest of the working-age population, 52% have some higher education, versus 57% of the working-age population;
- are less likely to own their homes (44%) as compared to the working-age population (74%); and
- are younger than the working-age population as a whole, 63% of working-poor individuals are between the ages of 18 and 44, compared to 50% of the working-age population.

A fast-growing regional phenomenon

While the city of Toronto had the highest rates of working poverty until 2005, it was growing even faster in the region. The greatest increases occurred in Mississauga, Richmond Hill, Markham, Uxbridge, and King. Within the city of Toronto, far more increases in working poverty occurred east of Yonge Street.

Working poverty was on the increase as the job market produced lower-wage jobs. Minimum wages grew by only 8.9% between 1995 and 2005, while inflation increased by over 22% during the same period.

"Most of us believe if you pay your taxes and work hard you shouldn't be poor in our society. This report should be a catalyst for research and action. By shedding more light on the lives of members of this growing group we can help shape appropriate policies and resources," said Sandy Houston, Metcalf Foundation President and CEO.

The report recommends the following policy areas for further research and action: income security system and working poverty, the structure of the job market and working poverty, education and working poverty, and identity and working poverty.

“Employment is commonly understood to be the best antidote to poverty. Yet the increasing numbers of people working *and* poor in the Toronto Region paints a troubling picture. When people can’t fully participate in society, it costs us all. We need to create a viable labour market where working people can find decent paying jobs suited to their abilities. This is essential for the prosperity of the region,” Houston said.

To download the report and a complete description of the methodology used in this study, visit: www.metcalffoundation.com.

John Stapleton, Brian Murphy, and Yue Xing wrote *The “Working Poor” in the Toronto Region*. John Stapleton is a Toronto-based social policy analyst. Brian Murphy is a Special Advisor with the Income Statistics Division at Statistics Canada. Yue Xing is an analyst with the Income Statistics Division at Statistics Canada.

The Metcalf Foundation helps Canadians imagine and build a just, healthy, and creative society. We support dynamic leaders who strengthen their communities, nurture innovative approaches to persistent problems, and encourage dialogue and learning to inform action.

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