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# Understanding the Link Between Welfare Policy and the Use of Food Banks

**By Michael Goldberg**

**David A. Green**



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**An Economic Security Project Report**



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## **Contents**

5	Executive Summary
8	Introduction
10	Food Bank Clients
12	Survey of Food Banks Clients
16	Determinants of Food Bank Use
22	Conclusions and Recommendations
25	Technical Appendix
30	Notes
32	References



# Executive Summary

The use of food banks by Canadian families remains at shockingly high levels, with over 700,000 Canadians accessing food banks in March 2008. While this is a lower level than at the peak in 2004, it reflects the fact that food bank use has remained stubbornly high, even in the face of some of the best economic times Canada has witnessed in decades.

In this study, we attempt to provide a better understanding of who uses food banks in Canada and of how food bank use relates to changes in government welfare policy. Data collected by Food Banks Canada show that food bank use increased dramatically from just over 700,000 Canadians using food banks during March 1998 to over 840,000 in March 2004. This increase occurred in spite of increases in employment rates and average wages and decreases in the number of welfare recipients over this period. Since then, the numbers using food banks have declined to levels near those in the late 1990s but this indicates that the prolonged economic boom simply by-passed a substantial number of the least well-off in our society. Now that the boom appears to be over, the number of persons using the food banks will almost certainly swell.

Key findings from our survey of over 700 food bank clients from across Canada showed that:

- When you think of food banks you should think of children. Approximately 60 per cent of adult respondents to our survey reported that they live with children. Those children include all ages, from infants to teenagers.
- Most of the food bank clients were born in Canada (76 per cent), although there were important variations based on location.
- While the vast majority of clients rented their accommodation, only 3 per cent in our survey were in subsidized housing.
- Approximately three-quarters of households report income under \$15,000, which is below the poverty line in a Canadian city even for a single person.
- Clients spend over 60 per cent of their income on rent and utilities.
- Most respondents felt that even a \$100 decrease in their monthly incomes would be “disastrous.”

Working with data from food banks combined with data on numbers of welfare recipients, welfare benefit rates, housing rental costs, and employment rates, we undertook economic analyses that establish a number of findings about what drives trends in food bank use.

- Cuts to welfare systems in the mid to late 1990s resulted in substantial increases in food bank use. A 10 per cent cut in the welfare caseload is associated with a 4.2 per cent increase in food bank use, suggesting that claims that reducing welfare “dependency” would ultimately benefit potential welfare recipients are certainly not true for some set of disadvantaged Canadians. Similarly, large reductions in the amount of welfare benefits had substantial impacts on food bank use. We estimate that the equivalent of a 10 per cent cut in benefits would result a 14 per cent increase in food bank use.
- Improvements in employment rates reduce food bank use, though their effects are not as large as those from cutting access to welfare. It is the combination of these relatively small employment rate effects with substantial cuts to welfare systems that explain why food bank use continued to rise in the late 1990s and early 2000’s, even though the economy was improving.
- Put together, these findings imply that as we move into a recession and more Canadians have need of a welfare system that has been drastically reduced, we should expect dramatic increases in food bank use and the food insecurity it reflects.

Implementing the following recommendations will help ensure that all residents have a right to adequate and appropriate food. Only then can Canada and the provinces say that they are actively living up to their international obligations.

#### **Recommendation 1 – Welfare as a right**

Residents in all provinces must be able to readily access income support programs when in need.

#### **Recommendation 2 – Setting income assistance thresholds**

Each province should develop a mechanism for establishing the costs for basic goods and services. These needs should be met through provincial income assistance benefits.

#### **Recommendation 3 – Immediately increasing income assistance rates**

Income assistance rates should be raised immediately in every province, as the process in recommendation 2 will take some time.

#### **Recommendation 4 – Indexing income assistance rates**

Income Assistance benefits need to be increased annually by the cost of living if they are not to lose their purchasing power.

#### **Recommendation 5 – Establishing an appropriate minimum wage**

Use the before-tax low income cut off threshold for the largest city in each province to set the minimum wage and annually increase the wage by the increase in the cost of living.

#### **Recommendation 6 – Increasing the Canada Child Tax Benefit**

Increase the Canada Child Tax Benefit to \$5,100 as recommended by Campaign 2000.

#### **Recommendation 7 – Developing quality, affordable child care**

Developing quality affordable child care would be a prerequisite if parents are expected to seek and retain employment.

#### **Recommendation 8 – Providing education and training to upgrade skills**

Allow persons on income assistance to pursue high school completion and post secondary training and education while on assistance.

**Recommendation 9 – Establishing appropriate financial allowances and support services for refugees and immigrants**

Ensure that refugees have appropriate and sufficient financial support to complete their initial settlement and that refugees and immigrants

have access to affordable and appropriate levels of English/French Second Language services.

**Recommendation 10 – Addressing Housing Affordability**

Appropriate mechanisms need to be established to make rental housing more affordable.

# Introduction

Food security is said to exist when “all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”.<sup>1</sup> While there are many components that make up food security, we focus in this report on the financial aspects of food insecurity and in particular, we examine the factors that create reliance on charitable food banks.

The number of food bank clients grew rapidly in Canada during the early part of this decade and peaked in March 2004 when 841,640 persons were reported to have used a food bank. The numbers have decreased in the last four years, which is clearly good news. But there were still over 720,000 persons who used a food bank in March 2007<sup>2</sup> (which is still greater than the number using food banks in the late 1990s) and there were increases in food bank use between 2007 and 2008 in several provinces. This is in spite of the improving economic situation following the recession in 1993, the decreasing incidence of poverty since 1996, and the decreasing numbers of people on welfare in most provinces since the mid 1990s. Moreover, counts of food bank use clearly understates the extent of food

insecurity since they do not include either “soup kitchen” type options or targeted meal programs in schools and social agencies.

The reliance on charitable food provision in Canada is a clear indication that the federal and provincial governments are not living up to their international agreements. As noted by Rideout et al, the right to food as a fundamental human right was first recognized in the 1948 Universal Declaration of Human Rights.<sup>3</sup> Since then, Canada has been a signatory to the International Covenant on Economic, Social and Cultural Rights and the Convention on the Rights of the Child. Each of these international agreements contains articles on the right to an adequate standard of living including the right to be free from hunger.<sup>4</sup>

Our goal in this report is to provide a better understanding both of who uses food banks and of what forces drove the persistent increase in food bank use up to 2004. Declines in food bank use since 2004 stand a good chance of being reversed as the economy weakens. Understanding who uses food banks and what drives patterns of overall use is important for preparing a strategy to respond to future problems. At the end of the



report, we present some thoughts about what such a strategy should look like. At the centre of that strategy is the tenet that no person in a country as rich as Canada should face food insecurity and especially the extent of the insecurity as revealed by respondents to our surveys.

The report proceeds in four broad steps. We begin with a brief examination of food bank usage over time and a brief profile of the clients of food banks in Canada. The report then provides the results from a 2004 survey of food bank clients that expands on the socio-demographic characteristics of the clients, identifies what forces led them to use the food banks, and what would happen if there were small increases or decreases in their incomes. The results of that survey are striking in their indication of how many children live with food insufficiency and the responses offer a poignant indication of how crucial it would be for typical food bank client to get just \$100 more or less per month.

Following our discussion of the survey responses, we provide an econometric analysis of

forces driving the continued increase in food bank demand through 2004. Those results indicate that cuts to welfare of the type instituted in BC, both by the NDP in 1996 and after the Liberals came to power in 2001, are associated with substantial increases in food bank use. In what we view as our most reliable estimates, a 10 per cent cut in welfare rolls is associated with over a 4 per cent increase in food bank use. These results suggest that arguments that welfare cuts are a form of “tough love” that ultimately leave potential welfare recipients better off are certainly not universally true. For some groups in the population, welfare reforms have been associated with increased food insecurity.

Finally, working from both the survey and econometric results, we provide recommendations that would help reduce reliance on charitable food banks. Ultimately, the goal for this project is to identify public policy alternatives that reduce or eliminate people’s reliance on charitable food provision – to have a Canada that is free of hunger.

# Food Bank Clients

The first food bank in Canada was opened in Edmonton in 1981. Food banks also began to emerge in other Canadian cities when small organizations, church groups and concerned citizens joined together to provide a temporary response to the hunger crisis during the economic recession in the early 1980s. The notion that food provided via charitable organizations should be temporary was reinforced by the inclusion of a three-year sunset clause built into the establishment of the Canadian Association of Food Banks.<sup>5</sup> But the need to rely on charitable banks has not gone away. The Canadian Association of Food Banks (now called Foods Banks Canada) produces annual Hunger Counts and they report there were 673 food banks operating in Canada in 2007. The annual hunger counts also report on the number of different people using a food bank in Canada during the month of March and provide a brief profile on the characteristics of the clients of food banks.

During the past decade, the number of people using a food bank in March of each year increased from almost 714,000 in 1998 to almost 825,000 in 2004 and then decreased to 720,000

in the 2007 count. The percentage of Canadians using a food bank varied from 2.2 per cent in 1998 to 2.6 per cent in 2004. The proportion of clients who are children has remained fairly consistent at around 40 per cent each year.

There have been some changes in the types of households using food banks and in the major source of income of the clients. The proportion of single person households using food banks has increased from 28.8 per cent in 2001 to 37.4 per cent in 2007. There have been small decreases in the percentage of couple, two-parent, and lone-parent households over that time period.

The largest change in source of income has been a decrease in the percentage of clients who reported social assistance as their major source. Over 62 per cent reported regular social assistance as their primary source in 2000 but just over 50 per cent so reported in 2007. The proportion claiming disability benefits increased during that time period growing from nine per cent to over 12 per cent of the food bank clients. The percentage of food bank clients reporting employment as their major source of income stayed virtually the same between 2000 and 2007 (13.7 per cent in 2000

and 13.5 per cent in 2007). There was a noticeable increase in other sources of income (e.g., EI, pensions, student loans, etc) growing from 10 per cent in 2000 to 18 per cent in 2007. These changes coincide with significant reductions in the number of persons claiming social assistance benefits as “employable persons” and an increase in the caseload of those classified as having a disability.<sup>6</sup>

At the same time, surveys on food insecurity in Canada show that only a small portion of those reporting income-related problems with food use food banks. Valerie Tarasuk, in the forward to *Hunger Count 2007*, stated “some estimates imply that for every person using the food bank in March 2007, there were four or five more who were also struggling to obtain the food they needed.”<sup>7</sup> A report examining food insecurity in BC<sup>8</sup> using the 2005 Canadian Community Health Survey reported that there were at least 235,000 persons in BC who were food insecure<sup>9</sup>

compared to the 75,000 persons who used a food bank in March 2005.

Kerstetter and Goldberg also reported, “As with previous surveys of population health in Canada, the 2005 survey showed a striking association between low income and food insecurity.”<sup>10</sup> For example, 22 per cent of those in the lowest decile of household income (the bottom 10 per cent) reported being food insecure compared to less than 1 per cent of those in the top four deciles combined.<sup>11</sup> There was also a clear association based on the major source of income. Persons on welfare had a food insecurity rate of 59 per cent compared to approximately 5 per cent for those whose major source of income was from employment. It is important to note, however, that the majority (63 per cent) of those who experience food insecurity have their major source of income from employment while those on welfare make up only 14 per cent<sup>12</sup> of the food insecure population.<sup>13</sup>

# Survey of Food Bank Clients — 2004

Our examination of food bank use has two main components. The first of these is a survey of food bank clients that is more extensive than those carried out by the CAFB. Interviews were conducted with 752 food bank clients in nine food banks across Canada. While comparable data between the survey sample and the Hunger Count for 2004 are limited, the sample population was similar to the hunger count on the two variables that could be compared. There was a slightly higher proportion of lone parents in the sample survey (36 per cent) compared to the proportion in the hunger count (31 per cent) and a slightly smaller proportion of single people (33 per cent in the sample and 36 per cent in the Hunger Count).

While the data on sources of income are not fully comparable (the sample asked for all sources of income while Hunger Count records the major source of income), the relative importance of the sources was the same. Thus, income assistance was the most frequently reported source of income while few reported pension incomes in both studies.

## Demographic Characteristics

The respondents covered a wide range of family/household situations. Approximately one quarter were under 30 year of age, slightly over half were 30-49 years of age and approximately 20 per cent were 50 years and older. The survey also obtained information to categorize families by

**TABLE 1 Family Life Cycle**

Family Life Cycle Stage	Per cent of respondents
Infant (oldest child under three years of age)	14%
Preschool (oldest child 3-5 years)	13%
School Age (oldest child 6-12 years)	20%
Youth (oldest child 13-18 years)	13%
Young Adult (oldest is 19 years and older)	3%
No Children	37%

family life cycle (based on the age of their oldest child). Table 1 shows that over 60 per cent of the respondents reported living with children. Moreover, families using food banks have children of all ages.

Most of the food bank clients were born in Canada (76 per cent), although there were important variations based on location. The majority of food bank clients in the Montréal sample were foreign born (81 per cent)<sup>14</sup> and significant portions of the clients in Toronto (40 per cent) and Surrey (28 per cent) were also foreign born. Over 90 per cent of the clients at the other six food banks reported that they were born in Canada.

There were also differences in the length of time that foreign-born clients lived in Canada. Overall, approximately one-third had been in Canada for over ten years, and one-third were recent immigrants having resided in Canada for less than one year. The majority of foreign-born clients in Montréal were recent immigrants (60 per cent).

Given the low incomes of food bank clients, it is often assumed that food bank clients have significantly lower levels of education compared to the population as a whole. It is certainly true that food bank participants were more likely to have less than a high school diploma while the general population were more likely to have a college or university certificate or degree.<sup>15</sup> At the same time, however, over one-third of food bank participants had some post-secondary education.

## Housing

As would be expected with a low-income population, virtually all of the food bank clients (93 per cent) rented their accommodation. Most rented apartments (58 per cent); others were renting a room in a house, sharing a house with people other than their children, were renting a basement suite or renting a townhouse. Only three

per cent reported being in subsidized housing, highlighting that a strong social housing program with rent geared to income could help improve food security.

## Why Clients Use Food Banks

We conducted the recipient survey both to obtain a better understanding of what led clients to use a food bank and to improve our understanding of what clients anticipate would happen if there were small changes in their financial circumstances.

Two major themes emerged when participants were asked what was happening in their life the first time they had to use a food bank. While there was some overlap between the themes, clients identified situations that could be classified as economic or financial and situations that could be considered personal or familial.

Not having enough money was the most frequent response given by clients when asked what led to their using a food bank. Also linked to this economic/financial theme was the response about losing a job or being unable to find work, which accounted for 20 per cent of the reasons given. Illness or injury was a related factor that contributed to the participant's economic/financial situation. Somewhat surprisingly, less than one per cent (only 27 respondents) mentioned the inadequacy of government assistance as the reason that they first went to a food bank. It must be remembered, however, that the more general response of not having enough money was not tied to the specific source of income. It was also interesting that only a couple of clients specifically mentioned the cost of housing or increased housing costs as a reason for first going to the food bank, although again, this may be connected to the more general response of not having enough money. Approximately 70 per cent of the responses given for having to use a food bank for the first time fell into the economic/financial theme.

Personal or familial reasons accounted for approximately 30 per cent of the reasons given. These included changes in the family status such as a separation, being pregnant or the birth of a child, moving from a different city, and in a few cases, family violence was specifically mentioned. Needless to say, most if not all of the personal/familial reasons have economic/financial overtones. For example, separation could lead to a loss of income from a second adult as can the birth of a new child.

Approximately one in four clients reported using other meal programs such as soup/community kitchen programs or school meals for their children. Respondents were also asked if over the past 12 months they or someone in their family did not have enough to eat because of a lack of money.<sup>16</sup> Over one in five (21 per cent) of the clients in the food bank survey reported that they often did not have enough to eat and another 57 per cent reported that they sometimes did not have enough to eat because of a lack of money. This rate among food bank clients is much greater than that reported in the Canadian Community Health Surveys, where the incidence of not having enough to eat was estimated to be 25-30 per cent for those in the lowest income quintile (the lowest 20 per cent).<sup>17</sup>

These findings support the view that clients of food banks are in dire financial circumstanc-

es, as do the findings on their reported income and expenses.

### Income and expenses

Clients were asked about their annual household income and to estimate their income and expenses from the previous month. The findings were all in the expected direction. Almost three-quarters (74 per cent) reported total household gross income of less than \$15,000 for the previous year. That would not have been sufficient to cover the costs for even a single person in Vancouver based on either the SPARC BC estimates for the cost of daily living for 2005 or HRSDC's Market Basket Measure Costs adjusted for 2005.<sup>18</sup>

Over 500 of the clients were able to provide estimates of their monthly expenses (see Table 2). As expected, rent was the largest cost, accounting for 53 per cent of total expenses and rent and utilities combined accounted for 61 per cent of total expenses. The \$193 per month spent for food would not be sufficient to meet the 2005 nutritious food costs for a single person in BC, let alone meeting the costs for the 74 per cent of the food bank clients who lived in households of two or more people.

Table 3 shows, in rank order, the percentage of clients who reported that they never have sufficient funds for each category of expenses.

The rank order clearly shows that clients first pay off that which ensures they keep their hous-

**TABLE 2 Average Monthly Expenses**

Category	Monthly Amount	Percentage
Rent	\$505	53%
Utilities	78	8%
Telephone	42	4%
Food	193	20%
Transportation	62	7%
Clothing	37	4%
Medical/Dental	11	1%
Recreation/Leisure	27	3%
TOTAL	\$955	100%

Note: Child care was deleted from the list because of the relatively small number of respondents that reported actual child care expenses and the extent to which those expenses skewed the average results.

**TABLE 3 Never Having Sufficient Funds For**

Category	Percentage
Rent	9%
Utilities	13%
Food	17%
Child Care	17%
Telephone	22%
Transportation	22%
Medical/Dental	37%
Clothing	45%
Recreation/Leisure	50%

ing (only 9 per cent reported not having enough for rent and 13 per cent for utilities). Not surprisingly, medical/dental, clothing and recreation/leisure are the expenses most frequently forgone in trying to balance very limited incomes.

A sense of how close to the margins clients live was obtained through their responses to what they thought would happen if their incomes increased or decreased by \$100 per month.

A few (10 per cent) felt that their situation would not change much if their monthly income increased but most felt that even such a small increase would ease their burden somewhat. As one person said “I would be a little happier and I would know I have food for a meal the next day.” Another mother said they would have “fresh fruit and veggies and juice for the kids”. While food was by far and away the most common specific item mentioned, having another \$100 per month would also help with transportation. “That would be wonderful”, said one of the clients. “I would purchase a bus pass and a telephone hook-up.” “That would be nice”, said another, ‘but I would still be in trouble.” Others also said, “We would still be short” or “I’d just be getting by”.

While a \$100 per month increase would ease the burden somewhat, a \$100 decrease in their monthly income would be disastrous for most. A few felt they would “get by” perhaps by pan-handling or cutting back on medication but most reported life would be much harder: they would have no food; they would feel even greater despair. “I would have to resort to crime or starve”, said one recipient. “I would be living on the street”, said another. “I wouldn’t survive. I would go insane and not be able to afford anything.” “I would consider suicide. I wouldn’t be living, only existing” were common refrains.

The majority of the respondents were, however, optimistic. When asked if they expected their situation to improve, get worse, or remain the same in the next 12 months, the majority (62 per cent) felt it would get better, another 31 per cent felt it would stay the same and only seven per cent felt it would get worse. Participants in the food bank survey were hearing the same economic news in 2004 that the rest of us were hearing, and they were optimistic that they would be able to share in the benefits of what was then an improving economy.

# Determinants of Food Bank Use

Our second main approach to investigating food bank use is to study usage rates in a variety of locations over time, relating them to potential driving forces. It seems reasonable to assume that movements in the economy, reflected in changes in employment opportunities and wages, and changes in housing costs for low-income people, are likely to play a primary role in explaining the movements in food insecurity. However, as shown earlier, the number of food bank clients increased until recently, even though the economy improved. Even the recent reductions in food bank use seem to suggest only moderate “spillage” of the benefits of Canada’s prolonged economic boom down to the most food insecure members of our society.

One possible explanation for the weak response of food bank use to economic improvements might be found in the “welfare reforms” introduced in virtually all provinces after the mid 1990s and pursued particularly aggressively in BC, Alberta, and Ontario. Those reforms included both reducing access to welfare benefits and reductions in benefit rates. Recent reports suggest that those reforms played a substantial part in the dramatic declines in welfare use since

the mid-1990s. For example, it has been estimated that approximately half of the welfare reduction in BC between 2002 and 2005 was the result of the improved economy and half was the result of the policy changes that made it more difficult for people to access welfare.<sup>19</sup> While often touted as “tough love” measures inducing people to move into employment, the reforms may simply have made life harder for people who needed support. In that case, the increased hardship associated with the reforms may have offset improvements in the economy, generating the types of food bank use patterns described earlier.

To look more closely at these competing forces affecting food bank use, we collected historic data on usage over time from ten food banks, along with economic and social data for the ten sites. In particular, we focus our attention on the proportion of the population accessing food banks in a given month. The food bank data came from three main sources:<sup>20</sup>

- 1 Provided directly from the records of four food banks that covered the period 1990 to 2004;
- 2 Provided by the Canadian Association of Food Bank’s (CAFB) for four individual food



banks drawn from their annual survey for 1997 to 2004; and

- 3 Provincial level data for Nova Scotia, Prince Edward Island and Newfoundland from the CAFB Annual Survey for 1997 to 2004.

While individual food bank data tends to be the most consistent and reliable, it is worth noting that the provincial level series and the individual food bank series from the matching province provide very similar patterns over the periods for which both are available.<sup>21</sup> Data was also provided by the Moisson Montréal, who distribute food to community agencies who in turn distribute food directly to people. Unfortunately, the time series data from Montréal and the provincial series for Quebec differed noticeably at various years and therefore the data for Quebec was not included in the analysis.

Similar time series data was collected for changes in the provincial welfare systems and changes in economic factors. Data on the changes

in the welfare systems were from the National Council of Welfare and included:

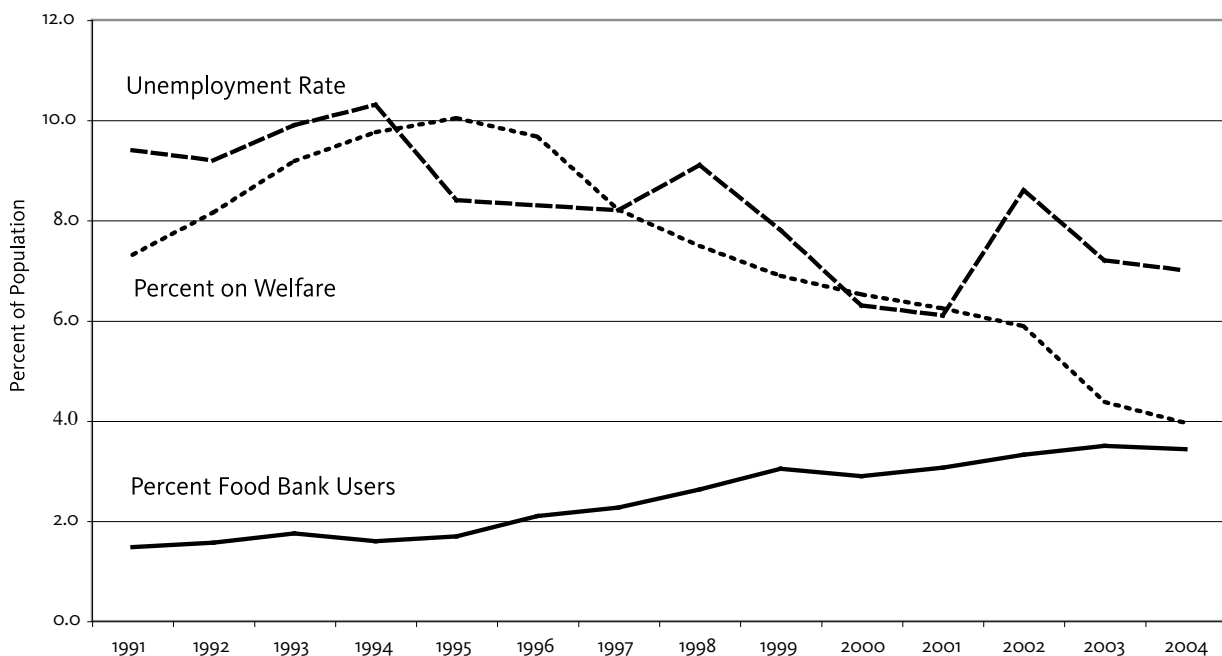
- 1 Total caseloads in March of each year;
- 2 Annualized provincial benefits for single employable welfare recipients; and
- 3 Annualized provincial benefits for disabled welfare recipients.

We obtained time series data for each city or province from Statistics Canada (CANSIM II) and included data on population, growth in provincial GDP, employment and unemployment rates, minimum and median wages, average rental rates for one-bedroom apartments, and rental vacancy rates for each city.

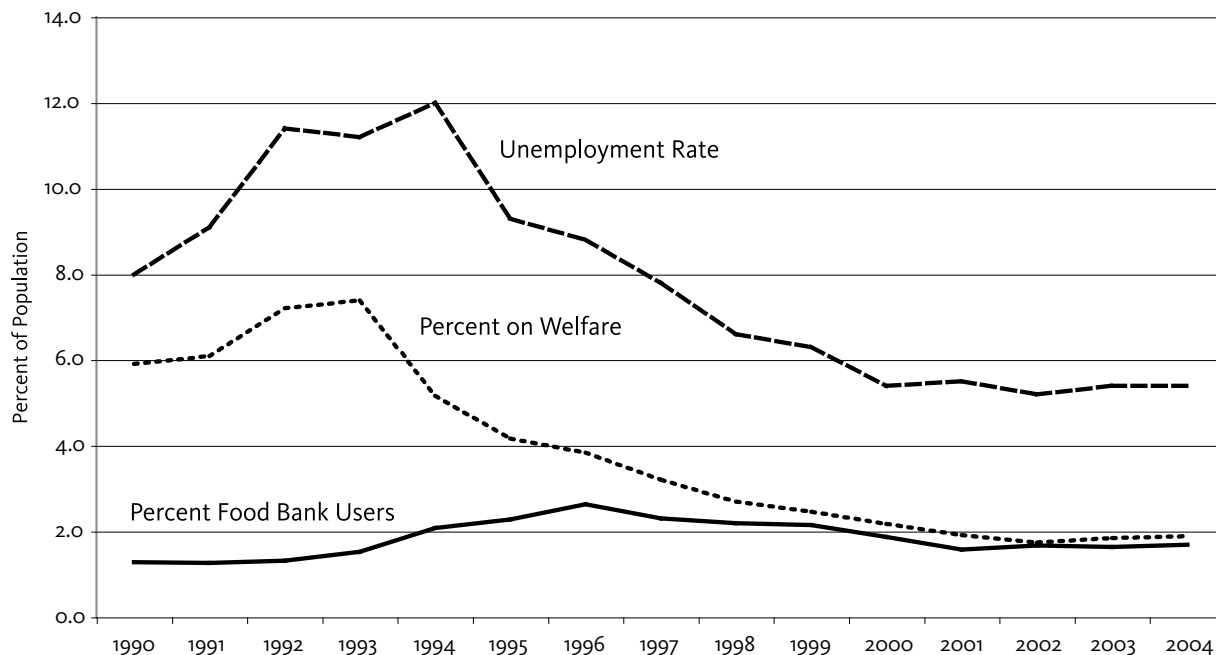
### Analysis

In our initial analysis, we explore the potential for a relationship over time between the per cent of the population that used a food bank, the per cent of the provincial population in receipt of welfare, and the unemployment rate in individual cities.

**FIGURE 1 Surrey Food Bank**



**FIGURE 2** Edmonton Food Bank



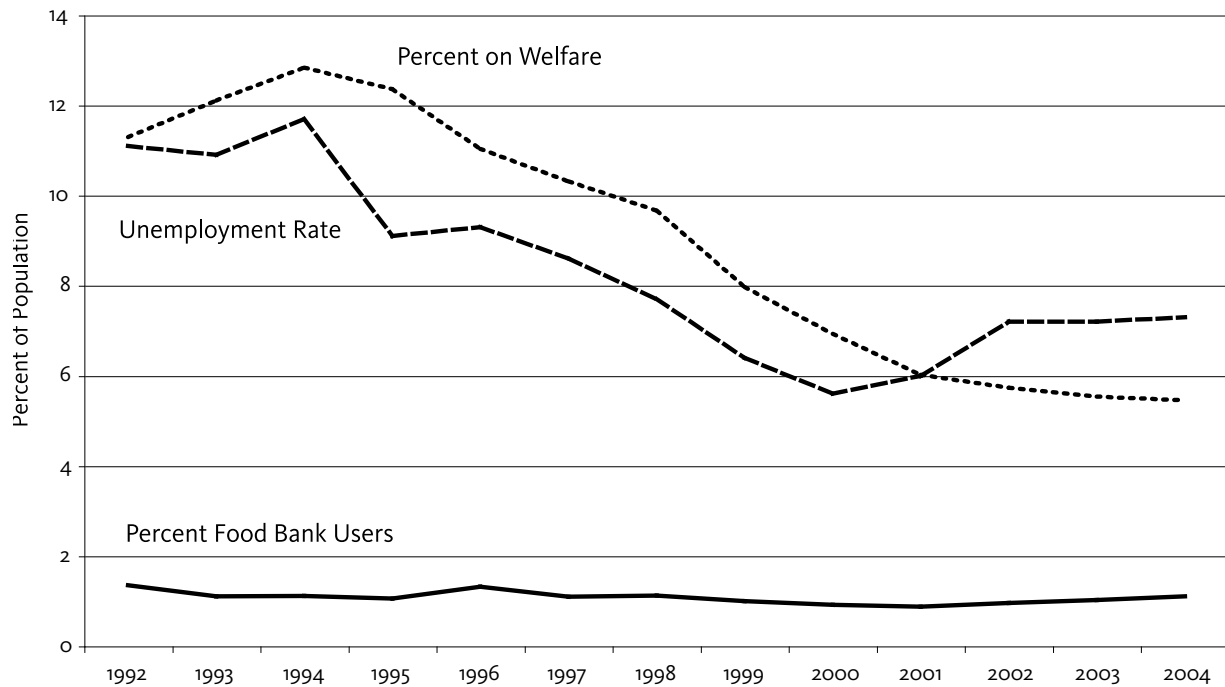
As shown in Figure 1, the results for Surrey / BC shows that food bank use actually declined slightly during the period of rising welfare rolls in the mid-1990s then increased when the welfare rolls declined and continued to rise after 2001 in spite of an improving labour market. The pattern of rapid increases until the late 1990s followed by a more moderate rise thereafter is very similar to the pattern for food bank use for Canada as a whole.

It is interesting to compare the patterns of the percentage of food bank clients and persons on welfare with the movements in the unemployment rate. The initial sharp drop in the welfare rolls following the 1996 reforms occurred at a time when the labour market was relatively stable, suggesting that the reforms were indeed the impetus for the declines in the welfare rolls. In comparison, the continuing decline in welfare use between 1998 and 2001 occurred as the unemployment rate declined, raising the possibility that those declines were more related to labour market improvements.<sup>22</sup> It is interesting to note, though, that the percentage of the population using food banks continued to expand in this period.

Figure 2 repeats this exercise using data on food bank use and the unemployment rate in Edmonton and welfare usage rates in Alberta. Welfare rolls declined following the reforms of 1993 even though there was a slight increase in the unemployment rate that year. However, since 1994 the decline in unemployment and the percentage of the population receiving welfare followed the same pattern. At the same time, food bank use increased as a percent of the population and rose to its peak in 1996 when it then took on the same downward movement as the percent of people unemployed and the percent on welfare.<sup>23</sup> This suggests that, in the case of Edmonton, general improvements in the labour market likely drove the declines in both food bank use and the welfare rolls.

The Toronto food bank shows a slightly different pattern. While the unemployment rate and the percent of the population on welfare decreased virtually in tandem between 1994 and 2000, the proportion of the population on welfare continued to decrease slightly from then until 2004 while the unemployment rate went up. The sharp increase in unemployment in 2001 and 2002 may

**FIGURE 3** Toronto Food Bank



have been due to the bursting of the tech bubble. The continuing high levels of unemployment in Toronto in 2003 and 2004 may have been due to the fallout from the SARS epidemic. But as Figure 3 shows, the proportion of the population using the food bank remained virtually the same between 1994 and 2004. The actual number of food bank clients in Ontario did grow slightly in 2005 and 2006 according to the Hunger Count reports.

Taken together, these figures give the impression that food bank use is like the “Eveready bunny” — it just keeps going and going. The figures also present a complex picture of the relationships among reliance on welfare, use of food banks, and labour market performance. There are two main points that need to be taken into account in any attempt to try to establish a causal link between welfare reforms and use of food banks. First, one needs to account for changes in the labour market in order not to risk confounding any actual relationship between welfare changes and food insecurity (as measured by food bank use) with the separate relationships of welfare use

and food insecurity with underlying economic conditions. Second, BC Alberta, and Ontario’s experience in the early and late 1990s shows that welfare rolls were declining along with the local unemployment rate but food bank use was rising or staying stable. This raises the possibility that people may feel less stigmatized based on previous experiences of using food banks and thus more comfortable to continue using them (referred to as hysteresis or state dependence in the economics literature). Thus, a continued increase in food bank use could increase the pool of people who are willing to use it in the future. However, as noted earlier, food bank clients most frequently said they would either get healthier food or use the food bank less if there were an increase in their incomes.

We also carried out a more complex examination of the relationships determining food bank use through regression analysis. In particular we implemented a series of regression specifications using the variables mentioned at the beginning of this section.<sup>24</sup>

The initial regression equations investigated whether there was a significant relationship between changes in welfare rolls (as measured by the changing percentage of the population receiving welfare benefits) and changes in the use of food banks (as measured by the percentage of the population using the food bank). The initial regression showed that a 10 per cent decrease in the welfare rolls corresponded to a 2.7 per cent increase in food bank use. Introducing the value of welfare benefits as an added variable did not lead to any significant change in the result. The same was the case when a variable on economic performance was introduced (as measured by the employment rate). In other words, there was no material change in the relationship that a 10 per cent decrease in welfare rolls corresponded to a 2.7 per cent increase in food bank use. The economic performance measure itself had effects in the predicted direction (a higher employment rate is associated with lower food bank use) but the effects were not as large in magnitude as those from welfare roll cuts.

There were however, even more significant changes once site-specific effects were introduced into the analysis. Including site-specific effects means we are not at risk of misinterpreting general trends in a province (which might arise if, say, food banks in a province became more organized over time) as welfare roll effects. This more complete analysis (one that would be considered the most appropriate approach by most researchers) showed that **a 10 per cent decrease in welfare rolls corresponded to a 4.2 per cent increase in food bank use**. Although he used a different approach, this result was similar to that found by Borjas (2002) in the U.S. where a 10 per cent decrease in welfare rolls corresponded to almost a 5 per cent increase in food bank use.

Additional variables on the median wage for unskilled workers and the minimum wage were introduced into the regression equation to check on the impact of local wage conditions (as opposed to employment conditions) but they had little effect on the results. It is worth remembering that less

then 15 per cent of the food bank clients reported employment as their major source of income.

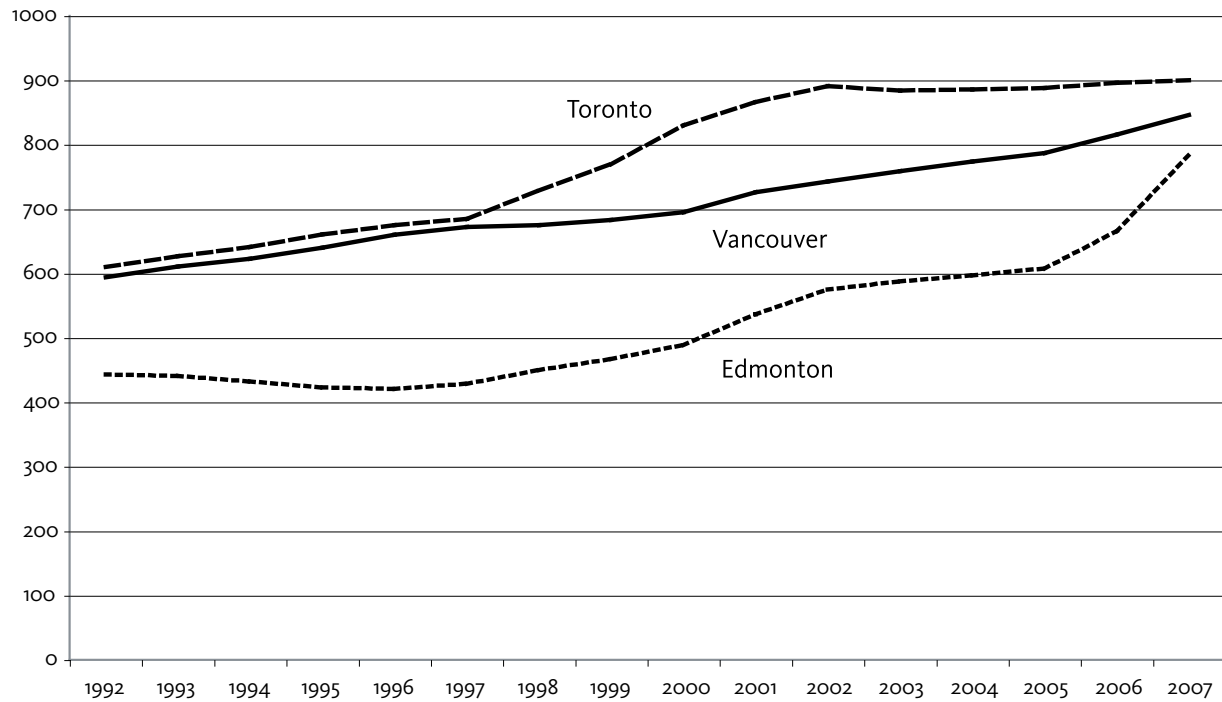
The introduction of the variable on rent for a one-bedroom apartment however did produce an unexpected result. The results of the regression analysis would appear to suggest that increases in the average rent for a one-bedroom apartment would lead to a reduction in the use of food banks. Such a result is contrary to what one would expect given that the cost of rent and utilities makes up such a large portion of the budgets of food bank clients.

A further examination of local conditions was undertaken. Figure 4 shows the trends of the average rent for a one-bedroom apartment in the census metropolitan areas for Vancouver, Edmonton and Toronto for 1992 – 2007. While actual rents increased in all of the cities, the increases between 1992-1997 primarily reflected the change in the cost of living. Average rents in Greater Toronto increased greater than inflation between 1997 and 2002 but have essentially remained frozen since 2002. Rent increases were not above inflation in Edmonton and Vancouver until 2000 and only significantly increased above inflation levels since 2005.

Rent increases seemed to more closely follow the increases in the median weekly wage for an unskilled worker. While the trends do not provide a conclusive result, they do indicate that the rent variable may be reflecting strength in a local economy rather than serving as a direct determinant in food bank use.

At the same time, welfare benefits were either frozen or being decreased during this time frame (1992-2007). Thus people on welfare were finding that a greater portion of their income was going to pay rent and less was therefore likely available to purchase food. A report by the Daily Bread Food Bank in Toronto found that the rent paid by food bank clients exceeded the rate of inflation between 1997-2003. They also reported that many of their clients were paying up to 75 per cent of their total income on rent and utilities.<sup>25</sup>

**FIGURE 4 Average Monthly Rent for 1-Bedroom Apartments**



While the regression equations did not show a causal link of rising rents being a driver in the demand for food bank use, the findings do suggest that high housing costs could become an important factor in food bank use during a period of economic decline.

A second set of regression equations were completed to examine the robustness of the initial results. This examination revealed two important points. The first is that large reductions in the amount of welfare benefits (over 5 per cent) such as those in BC and Ontario have had substantial impacts on food bank use while smaller cuts had virtually no impact. Thus, the formula shows that the equivalent of a 10 per

cent cut in benefits would generate a 14 per cent increase in food bank use.

Taken together, these results may help explain, at least in part, why there has been a drop in the number of food bank clients since 2004. The economy in Canada was particularly strong between the March 2004 and March 2007 hunger counts. At the same time, there were some modest improvements in welfare benefits in several provinces and the major reductions in the welfare caseloads of employable persons appear to have slowed. For example, in BC the annual average number of cases in the “expected to work” category has been relatively stable over the past three years (2005 – 2007).<sup>26</sup>

# Conclusions

The results seem clear. **Significant welfare reforms that limited access to welfare and deep cuts to welfare benefits were important drivers of the increased demand at food banks between the mid-1990s and 2004.** The most negative impacts, however, have been somewhat mitigated in the long-term by a growing economy. While demand at food banks has decreased since 2004, these gains may be quickly lost now that economic growth has slowed. The very high reliance on charitable food provision for those on welfare in BC has been shown in another recent report<sup>27</sup> and one would assume that demand on charitable food provision would therefore increase if the economy continues to weaken but there are no substantial changes to provincial welfare programs.

The profile of food bank clients also shows that a range of public policies will need to be in place if Canada and the provinces are to live up to their international obligations under the UN Convention on Economic, Social and Cultural Rights and the Convention on the Rights of the Child. First and foremost, the provinces must shift from welfare policies based on distrust of welfare recipients (with provinces es-

entially setting up rules that punish them), to one that responds to the needs of people. Provinces also need to ensure that income assistance rates are adequate to meet the rights to appropriate food, shelter, and clothing. No province has articulated the basis on which they set their income assistance rates and the rates in every province fall well below the low-income cut-off lines or any other measure that is commonly used to establish costs of living in the various provinces.

## **Recommendation 1 – Welfare as a right**

Residents in all provinces must be able to readily access income support programs when in need. It is time to move beyond the Elizabethan Poor Laws of 400 years ago.

## **Recommendation 2 – Setting income assistance thresholds**

Each province should develop a mechanism for establishing the costs to be met through provincial income assistance benefits. The process of establishing the income thresholds for assistance should involve stakeholders so that the results are transparent.

**Recommendation 3 – Immediately increasing income assistance rates**

Income assistance rates should be raised immediately in every province, as it is clear that the process in recommendation 2 will take some time. Current rates are manifestly inadequate.

**Recommendation 4 – Indexing income assistance rates**

Income Assistance benefits need to be increased annually by the cost of living if they are not to lose their purchasing power as was the case in BC from 1996 – 2007. Indexing should apply to both recommendation 2 and 3 above.

**Recommendation 5 – Establishing an appropriate minimum wage**

Use the before-tax low income cut off threshold for the largest city in each province to set the minimum wage.

While minimum wages have been increased in some provinces, they remain woefully low compared to the low-income cut off. The 2007 before-tax poverty line for a large city was \$21,666. This means that the minimum wage would need to have been \$10.42 based on a 40-hour paid week and \$11.90 based on a 35-hour paid week in 2007. Ontario has the highest minimum wage at \$8.75 and has promised to raise it to \$10.25 by March 31, 2010. BC has a minimum wage of \$8.00, lower than all the other large provinces and the minimum wage in BC has not increased since 2001.

A fair minimum wage would need to increase annually by the cost of living if it is not to be eroded by inflation as has been the case in BC for the past seven years.

**Recommendation 6 – Increasing the Canada Child Tax Benefit**

Over half of the households using food banks are families with children. Since the minimum wage for a single person would not cover the additional expenses for raising a child, the amount of the Canada Child Tax Benefit would need to be raised.

Campaign 2000 has estimated that the Canada Child Tax Benefit would need to increase to \$5,100 per year per child if a single parent working full time at a minimum wage was to reach the poverty line.

**Recommendation 7 – Developing quality, affordable child care**

Given that over half of the households using food banks are lone or two parent families with children and given that approximately 75 per cent of the children are 12 and younger, quality affordable child care would be a prerequisite if parents are expected to seek and retain employment. Quebec has, by far, the most developed provincial child care system that could serve as a model for the other provinces.

**Recommendation 8 – Providing education and training to upgrade skills**

Allow persons on income assistance to pursue high school completion and post secondary training and education while on assistance.

The profile of food bank clients showed that over 60 per cent had no post secondary education and that over 40 per cent had not graduated from high school. Given the changing nature of the labour market, people will need skills and education if they are to obtain employment that will provide them with a secure financial future.

**Recommendation 9 – Establishing appropriate financial allowances and support services for refugees and immigrants**

Ensure that refugees have appropriate and sufficient financial support to complete their initial settlement and that refugees and immigrants have access to affordable and appropriate levels of English/French Second Language services.

The profiles of food bank clients shows that there is a growing proportion of refugees and recent immigrants using food banks in the larger cities in Canada. This group has a number of

unique needs that have to be addressed to aid their settlement in Canada.

**Recommendation 10 – Addressing Housing Affordability**

Given that the cost of housing consumes such a large portion of the total income of food bank clients, appropriate mechanisms need to be established to make rental housing more affordable. This could include the development of more social housing units where rent is geared to income, and the implementation of rent subsidy programs such as the Rental Assistance Program in BC.

While there has been some reduction in demand at the food banks since 2004, this has occurred during a time of very high economic growth. At the same time, there has also been a decrease in the proportion of the food bank clients who report that welfare is their primary source of income. Given that the economy appears to be heading into recession, one cannot help but wonder what additional demands will be placed on Canada's food banks. Implementing these recommendation will help ensure that all residents have a right to adequate and appropriate food. Only then can Canada and the provinces say that they are actively living up to their international obligations.



# Technical Appendix

## Source of data from food banks

1. Provided directly from their records:
  - Surrey Food Bank (Surrey, B.C.) – 1991 to 2004
  - Edmonton’s Food Bank (Edmonton, Alberta) – 1990 to 2004
  - Regina & District Food Bank (Regina, Saskatchewan) – 1990 to 2004
  - Daily Bread Food Bank (Toronto, Ontario) – 1992 to 2004 (data for all food banks in Metro Toronto).
2. Provided from CAFB Hunger Count Survey 1997 to 2004
  - Calgary (Alberta)
  - Saskatoon (Saskatchewan)
  - Winnipeg (Manitoba)
  - St. John (New Brunswick)

The individual food banks granted permission to use their data.

3. Provided from CAFB Hunger Count Survey 1997 to 2004 (Provincial level data)
  - Nova Scotia

- Prince Edward Island
- Newfoundland and Labrador

## Regression Analysis

An econometric investigation of the relationship between food bank and welfare use was undertaken to address the complexities arising from an examination of the simple data plots. The initial analysis used the following regression:

$$f_{it} = \beta_0 + \beta_1 wu_{it} + \beta_2 wb_{it} + \beta_3 l_{it} + x_{it} \delta + \theta_i + \phi_t + \epsilon_{it}$$

where  $f_{it}$  is the log of the ratio of food bank use in city  $i$  in year  $t$  to the population in that city/province,  $wu_{it}$  is the log of the ratio of welfare use in the province in which city  $i$  is located in year  $t$  to the population in that province and year,  $wb_{it}$  is the log of real welfare benefits for a single employable in the relevant province in year  $t$ ,  $l_{it}$  is a measure of the state of the labour market or the economy such as the unemployment rate or the GDP growth rate,  $x_{it}$  is a vector of other controls,  $\beta_0$  through  $\beta_3$  are individual parameters,  $\delta$  is a vector of parameters conformable with the

$x_{it}$  vector,  $\theta_i$  is a city specific effect,  $\phi_t$  is a year specific effect, and  $\epsilon_{it}$  is an error term. The  $x$  vector includes variables indicated as important by the food banks themselves such as measures of the minimum wage and rental rates for one-bedroom apartments.

We focus our attention on the  $\beta_1$  and  $\beta_2$  parameters. It is important to recognize that the welfare usage rate effect is estimated controlling for the state of the labour market so that we are effectively comparing food bank usage in periods where the measured state of the labour market is the same but welfare usage differs. We also control for flexible time-specific effects and site (city)-specific effects, implying that the identifying variation is movements in variables within a given city over time. The time-specific effects control for one form of hysteresis: general persistence in food bank use that arises because food bank use in Canada as a whole was rising during the time period under study. We also investigated specifications including site-specific time trends. This allows for each site to have its own form of time dependence and provides a more rigorous test of the relationship between welfare and food bank usage.

The same types of variation were used to identify the effects of movements in welfare benefits. Given that a large portion of food bank clients are also receiving welfare benefits, it seems likely that cuts in benefits will both put those already using food banks in a deeper food deficit and push more welfare recipients into food insecurity. Of course, proponents of the cuts would argue that reducing benefits induces individuals to leave welfare, making them better off in the long run. This raises interesting issues about the dynamics of effects, which will be investigated in the estimations.

We carried out the initial estimation in first differences, which has the immediate effect of eliminating the city specific effect,  $\theta$ . Column 1 of Table A1 reports the estimated coefficients on the welfare usage and welfare benefits in a spec-

ification that include year effects but no other covariates.<sup>28</sup> The estimated effect of the change in welfare usage is statistically significant and substantial in size, implying that a 10 per cent decrease in the welfare rolls would correspond to a 2.7 per cent increase in food bank usage. The estimated impact of changes in welfare benefits is also negative but much smaller in magnitude and not statistically significant at any conventional significance level.

In the second column, we add the change in the local employment rate to control for macro effects. The employment rate variable does not enter significantly and its introduction does not materially affect the size or significance of the key variables.<sup>29</sup>

We next add city specific effects to the specification in column 3. This allows food bank use in each city to increase (or decrease) at its own rate. The effect of changes in welfare usage on food bank usage is then identified by changes in welfare usage that are out of the ordinary relative to overall national movements and to the trend in welfare usage for the specific province. This is the type of variation used in regression discontinuity estimation approaches. In this case, the type of variation is brought about by the sudden changes in welfare use as a result of the welfare reform introduced. When these trends are included the effect of welfare use on food bank use increases to a sizeable -.42 and is statistically significant at the 5 per cent level, while the effects of the other two covariates are essentially unchanged. Thus, a 10 per cent decline in the welfare rolls causes a 4.2 per cent increase in food bank usage according to this estimate.

Finally, we introduce two additional covariates in the fourth column of Table A1.<sup>30</sup> The unskilled wage variable corresponds to the median wage of males with a high school diploma or lower education in the province and is calculated from the Surveys of Consumer Finances for the years up to 1996 and from the Labour Force Survey in the remaining years. We intro-

**TABLE A1 Basic Regressions**  
**Dependent Variable: Change in the Log of the Food Bank Use Rate**

Variables	1	2	3	4
Constant	.058 (.042)	.023 (.089)	.066 (.080)	.046 (.024)*
Change in Welfare Use	-.27 (.13)**	-.29 (.12)**	-.42 (.17)**	-.44 (.15)**
Change in Welfare Benefit	-.078 (.063)	-.066 (.063)	-.067 (.11)	.0012 (.11)
Change in Employment Rate	-	-.0076 (.0056)	-.0079 (.0064)	-.0074 (.0067)
Change in Unskilled Wage	-	-	-	-.15 (.16)
Change in Minimum Wage	-	-	-	.42 (.54)
Change in Rent	-	-	-	-1.39 (.38)**
Year Effects	Yes	Yes	Yes	Yes
City Effects	No	No	Yes	Yes
Number of Observations	102	102	102	97

\* (\*\*) Significantly different from zero at the 10 (5) per cent level of significance.

duced this covariate as another attempt to account for changes in labour market conditions. We also introduced a variable corresponding to the real rent for a one bedroom apartment in the relevant city on the hypothesis that when rents increase, many families may be forced to reduce their food expenditures and will turn to food banks. Finally, we added minimum wages because food bank operators believe that higher minimum wages will increase earnings for the low skilled employed, reducing their need to depend on food banks.

The unskilled wage effect has the expected effect and a relatively large impact but is not near statistical significance. The rent and minimum wage variables have the opposite effect to what was expected and the rent variable is statistically significant. It may be that the rental variable is actually capturing the strength of the local economy, with high rents reflecting strong growth. The inclusion of these variables, however, has virtually no impact on the estimates of the effects of the key variables. Thus, when we add these extra controls our estimate of the impact of cuts in welfare rolls remains at the same sizeable level as in column 3. We view the estimates in either column 3 or 4 as our preferred ones because of the flexibility of the specification.

Table A2 presents specifications that examine the robustness of the results. The first equations examined the possibility that the impacts of the welfare variables are larger when the changes in those variables are larger. A spline specification in the welfare usage rate was estimated but this did not indicate any non-linearity in these welfare effects so the results are not reported. A tied spline specification was also estimated in which the impact of welfare benefit changes were linked to benefit cuts of over 5 per cent versus other, smaller, benefit changes. The first coefficient indicates that large cuts in welfare benefits generate large increases in food bank usage: a 10 per cent cut in benefits generates a 14 per cent increase in food bank usage. However, the impact of more moderate sized changes (obtained by adding together the two benefit change variables) is economically and statistically indistinguishable from zero. Thus, large cuts in benefits appear to have substantial impacts on food bank use but smaller cuts have virtually no impact. Introducing the spline for the benefit variable also reduces the impact of the change in welfare rolls (from -.42 in the third column of Table A1 to -.31), though that impact still remains sizeable.

The first differences imply an immediate impact of changes in welfare rolls. One might hy-

**TABLE A2 Supplementary Regressions**  
**Dependent Variable: Change in the Log of the Food Bank Use Rate**

Variables	OLS 1	OLS 2	OLS 3
Constant	-.0064 (.059)	.078 (.069)	2.03 (.82)**
Change in Welfare Use	-.31 (.14)**	-.39 (.17)**	-.45 (.15)**
Change in Welfare Benefit	-1.38 (.39)**	-.085 (.10)	-.10 (.077)
Change in Employment Rate	-.0068 (.007)	-.0079 (.0065)	-.0099 (.0047)**
Change in Welfare Benefit, Change >-.05	1.36 (.39)**	-	-
Change in Welfare Use, Lagged	-	-.091 (.16)	-
Change in Welfare Benefit, Lagged	-	.024 (.050)	-
Lagged Welfare Use			.046 (.034)
Year Effects	Yes	Yes	Yes
City Effects	Yes	Yes	No
Number of Observations	102	102	102

\* (\*\*) Significantly different from zero at the 10 (5) per cent level of significance.

pothesize, however, that while the immediate impact on food bank use of cuts to welfare may be large, longer-term effects may be smaller. This possibility is examined in the second column of Table A2 where lags in the welfare use and welfare benefits variables are introduced. Neither of these lags is statistically significant and the estimated impacts of the current period changes in welfare variables change very little with their introduction.

The third column of Table A2 presents results from a specification that includes the lag of the log of the food bank use rate. The primary goal with this specification is to further examine the possibility of hysteresis in food bank use. In particular, increases in food bank use one year may depend upon increases that occurred in previous years. The level of food bank use in the previous year is a summary of the changes that occurred in all previous years and thus is a direct way to capture these effects. It is well known that estimation including lags of functions of the dependent variable in a fixed effect panel model leads to inconsistent estimates. This problem can be addressed by using an instrumental variables

estimator, instrumenting for previous food bank use with lags of the various exogenous variables. In this case, first lags of the welfare use rate, the welfare benefit, and the employment rate were used.

Both the welfare use and the benefit variable were statistically significant at the 5 per cent level in the first stage regression (not shown here). City effects were not included in this specification since state dependence is allowed to enter through the lagged effect rather than through a general, city-specific trend. The results indicate that there is a positive relationship between current period changes in food bank use and the lagged level of food bank use, but the relationship is neither economically large nor statistically significant. Moreover, the effects of the change in welfare use rate and the change in the welfare benefit are substantially the same as in the previous specifications shown in Table A1. Based on these results and those from the previous specification, one might conclude that there are no noteworthy dynamics to the welfare effects and thus, the estimated immediate effects of a change in food bank use due to changes in the welfare use rate should not be expected to

dissipate. However, in work not reported here, we implemented a specification that allowed the effects of the very large reforms in Alberta, BC, Ontario and Manitoba to have a differential impact in the year immediately following each of these policy changes. Those results indicate an immediate effect of those large reforms that

is double our main estimates (i.e. 10 per cent cuts in welfare rolls are associated with 10 per cent increases in food bank use). Thus, there is some evidence of large, immediate impacts of welfare cuts dissipating somewhat to a more persistent impact that is smaller but still very substantial.

# Notes

- 1 Agriculture and Agri-Food Canada (1998), *Canada's Action Plan for Food Security: A Response to the World Food Summit*. Ottawa, Ontario.
- 2 Food Banks Canada (2008). *Hunger Count 2008*.
- 3 Karen Rideout, Graham Riches, Aleck Ostry, Don Buckingham and Rod MacRae (2007). "Bringing Home the Right to Food in Canada: Challenges and Possibilities for Achieving Food Security." *Public Health Nutrition*, Vol 10 Issue 6, pp 566-573.
- 4 *ibid.* This article, available at <http://journals.cambridge.org/action/displayAbstract?aid=1014932> has a detailed discussion on the right to food.
- 5 See *Our Story* on the CAFB web page <http://www.cafb-acba.ca/main.cfm>
- 6 In BC for example, there were almost 92,000 cases in the "expected to work" category in an average month in 2000 and only 18,500 cases on average in 2007. On the other hand, the number of cases classified as "persons with a disability" increased from a monthly average of 37,900 in 2000 to a monthly average of over 63,000 in 2007.
- 7 *Hunger Count 2007*, page 8.
- 8 Steve Kerstetter and Michael Goldberg 2007. *A Review of Policy Options for Increasing Food Security and Income Security in British Columbia*. A report prepared for the Provincial Health Services Authority. Available at <http://www.phsa.ca/Health-Pro/PreventionPromoProtect/default.htm>
- 9 *Ibid.* page 25.
- 10 *Ibid.* page 20.
- 11 *Ibid* pages 20-21.
- 12 *Ibid.* page 22.
- 13 On the other side are arguments that increases in food bank use reflect a combination of increased generosity of typical Canadians and freeloading on the part of food bank clients (Sarlo (2001)). Such arguments make little sense when one considers the depth of the financial difficulties faced by respondents to our surveys (described later in the report) and the fact that a large proportion of the food insecure do not use food banks.
- 14 The large proportion of immigrants in the Montreal sample may only reflect the particular food bank that was used for completing the interviews and may not be representative of the total population of food bank clients in Montreal or Quebec.
- 15 There was a notable difference in the education levels of the participants in the Montréal food bank compared to the other eight sites. The Montréal food bank participants had similar educational attainments to the Montréal population as a whole. This is likely a reflection of the very large proportion of the Montréal participants who are recent immigrants who, while having higher levels of education, have lower incomes compared to the Canadian born population.
- 16 This was one of the questions on food security used in the 1998/99 and 2000/01 Canadian Community Health Surveys.
- 17 See Janet Che and Jiajian Chen. *Food Insecurity in Canadian Households*. *Health Reports* Vol. 12. No. 4. August 2001. Statistics Canada Catalogue No. 83-003 and Ingrid Ledrou and Jean Gervais. *Food Insecurity*. *Health Reports* Vol. 16. No. 3. May 2005 for finding from the 1998/99 and 2000/01 Canada Community Health Studies. Also see Canadian Community Health Survey Cycle 2.2, Nutrition (2004): Income-Related Household Food Security in Canada. Health Canada, 2007. Available at [http://www.hc-sc.gc.ca/fn-an/surveill/nutrition/commun/income\\_food\\_sec-sec\\_alim\\_e.html](http://www.hc-sc.gc.ca/fn-an/surveill/nutrition/commun/income_food_sec-sec_alim_e.html)
- 18 Michael Goldberg and Kari Wolanski 2005. *Left Behind: A Comparison of Living Costs and Employment and Assistance Rates in BC*. Vancouver:

- Social Planning and Research Council of BC; and *Low Income in Canada 2000-2004 Using the Market Basket Measure*: Human Resources and Social Development Canada.
- 19 Bruce Wallace, Seth Klein and Marge Reitsma-Street. 2006 *Denied Assistance: Closing the Front door on Welfare in BC*. Vancouver: Canadian Centre for Policy Alternatives.
  - 20 Details are provided the technical appendix.
  - 21 For example, the correlation between the Winnipeg series and the provincial series for Manitoba for 1997-2005 is .96 and between the Toronto series and the Ontario series for the same period is .94.
  - 22 See Wallace, et al, *Denied Assistance* for a more detailed discussion of this topic.
  - 23 The actual number of clients of the Edmonton Food Bank has been increasing slightly since 2001 although declining as a percentage of the total population.
  - 24 See the technical appendix for details.
  - 25 Michael Oliphant and Jean-Philippe Thompson 2004. *Somewhere to Live or Something to Eat: Housing Issues of Food Bank Clients*. Toronto: Daily Bread Food Bank.
  - 26 BC Ministry of Employment and Income Assistance, Summary Report, March 2008. Available at <http://www.eia.gov.bc.ca/research>
  - 27 Seth Klein and Jane Pulkingham (2008). *Living on Welfare in BC*. Vancouver: Canadian Center for Policy Alternatives.
  - 28 All specifications use standard errors that are robust to arbitrary forms of time dependence in  $\epsilon$ .
  - 29 Other measures of economic performance including the growth rate in provincial GDP and the unemployment rate were also tested. All of these measures generated results similar to those in Table 1, with the economic performance measure not entering significantly and the estimated welfare effects being virtually unchanged. This was also the case in additional specifications in which we allowed for a possible non-linear relationship between employment rates and food bank use.
  - 30 The number of observations was reduced in this specification because data on rents before 1992 were not obtained.

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## › ECONOMIC SECURITY PROJECT

The Economic Security Project is a research alliance led by the CCPA's BC Office and Simon Fraser University, and includes 24 community organizations and four BC universities. It looks at how provincial policies affect the economic well-being of vulnerable people in BC, such as those who rely on social assistance, low-wage earners, recent immigrants, people with disabilities, seniors, youth and others. It also develops and promotes policy solutions that improve economic security. The project is funded primarily by a grant from the Social Sciences and Humanities Research Council of Canada (SSHRC) through its Community-University Research Alliance Program. [www.policyalternatives.ca/economic\\_security](http://www.policyalternatives.ca/economic_security)

## › ABOUT THE CENTRE

The Canadian Centre for Policy Alternatives is an independent, non-profit research institute funded primarily through organizational and individual membership. It was founded in 1980 to promote research on economic and social issues from a progressive point of view. The Centre produces reports, books and other publications, including a monthly magazine. It also sponsors lectures and conferences.

## › AU SUJET DU CENTRE

Le Centre canadien de politiques alternatives est un institut de recherche indépendant et sans but lucratif, financé en majeure partie par ses membres individuels et institutionnels. Fondé en 1980, son objectif est de promouvoir les recherches progressistes dans le domaine de la politique économique et sociale. Le Centre publie des rapports et des livres, ainsi qu'une revue mensuelle. Il organise aussi des conférences et des colloques.



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