

# The working poor in the Toronto region: Mapping working poverty in Canada's richest city <sup>[1]</sup>

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## AVAILABILITY

Full report in PDF <sup>[2]</sup>

From 2006 to 2012, growth in working poverty rates in the Toronto Region slowed in comparison to the period of 2000 to 2005. This is due in part to increases to the minimum wage and new income supplements that helped raise incomes among the poor, both working and non-working. These interventions, which helped to moderate the incidence of working poverty, illustrate that government has a role to play in assuring adequate incomes for citizens.

At the same time, the continued upward creep of working poverty is strong evidence that good social policy is not sufficient. Employment income matters, and changes in the labour market are making it difficult for many people to earn enough money to stay afloat. We need to ask whether a labour market that sees rising levels of working poverty, within a context of falling employment, is functioning well.

We suggest that the increase in working poverty, though slight, is a signal that we are not managing the labour market effectively. It is not difficult to imagine the stress and frustration that comes from working and yet not being able to afford the basic necessities. More difficult to grasp, perhaps, are the social and economic implications for our city - as well as the region - when the ranks of the working poor continue to grow within a shrinking contingent of employed.

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 the same city. This is a trend even though the numbers of working poor within the City of Toronto itself continue to slowly increase.

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.

There are many implications for our public transit systems. Transportation infrastructure will need to focus on where the working poor will live in the future and the routes they will require in order to commute to work.

These social and economic implications will need to be addressed. At the same time we have to think about the acceptability of working poverty in Canada's richest city. Some of the social policy choices we made between 2006 and 2012 appear to have slowed the growth of working poverty, confirming that good social policy works. However, the social impact of labour market policy is also significant. The challenge for the future is to reduce the ranks of the working poor in an effort to begin to eliminate working poverty altogether.

Responding to the needs and trends regarding the working poor require us to set the course not only for the labour market we want, but for the society we want. We believe that through higher wages, better job stability, and more effective support programs, Toronto could reduce and even eradicate working poverty.

**Region:** Ontario <sup>[3]</sup>

**Tags:** work/life balance <sup>[4]</sup>

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[1] <https://childcarecanada.org/documents/research-policy-practice/15/04/working-poor-toronto-region-mapping-working-poverty-canada> <sup>[2]</sup>

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