

### Child poverty increased for the third consecutive year in Canada, new report warns

**TORONTO**—Child poverty in Canada is rising again, reversing years of progress and deepening hardship for families. Using the most recent publicly available data, the latest national annual child and family report card, *Investing In Tomorrow: A Future Without Poverty*, found that child poverty increased for the third consecutive year, with nearly 30,000 more children falling into poverty. Rates are now approaching 2017 levels - at this pace it would take almost 400 years to eliminate child poverty.

“The numbers may not have risen as sharply as in the previous two years, but the trend is unmistakably moving in the wrong direction,” said Leila Sarangi, National Director of Campaign 2000 and lead author of the report. “More children are in poverty and families are falling further behind. That means less income for basic needs and less stability for families. In an affordability crisis, that is unacceptable.”

According to Canada’s official poverty measure, the Market Basket Measure, child poverty has more than doubled since 2020, reaching 10.7%, or 802,000 children. Using the broader Census Family Low Income Measure After Tax, that rate jumps to 18.3%, or nearly 1.4 million children. Not all children and families experience poverty equally. Rates are higher for younger children, First Nation, Inuit and Métis children, racialized, newcomer children, those with disabilities, lone-parent families, and youth under 18 years who live independently.

Of concern was the surge in the depth of poverty. This measure reflects how far below the poverty line family incomes fall. In 2023, families with children needed more than \$15,000 to reach the low income threshold, a gap that has ballooned in recent years. Paid work alone was not enough to lift people out of poverty. More than 1.2 million adults were in working poverty, and the child poverty would have soared to 30% when looking at market income alone. While families in the bottom of the income spectrum were getting poorer, those in the top 10% saw income gains, now earning more than 19 times the income of families in the bottom decile.

The erosion of supports is leaving families behind. The Canada Child Benefit remains a critical poverty reduction program. In 2023, it protected more than 580,000 children from falling into poverty, but its effectiveness has weakened, marking the lowest child poverty reduction since the program’s first full year of implementation in 2017. At the same time, rising costs are eroding the purchasing power, especially for low income families, who spend a disproportionately large share of their income on essentials. The report identifies gaps in child care expansion, inequities in the child welfare system, and persistent systemic barriers that disproportionately harm marginalized communities.

The report sets out clear a path forward, calling for a rights-based national strategy and recommendations:

- Strengthen Canada’s poverty reduction plan with clear targets, timelines, and dedicated funding.
- Boost the Canada Child Benefit with a CCB End Poverty Supplement to restore its effectiveness.
- Increase public investment in child care, housing, health and mental-health services.
- Align wages and income supports so working families are lifted above the poverty line.
- Address systemic discrimination in income supports and public services.
- Reduce income and wealth inequality through progressive tax reform.

“Canada has shown that major reductions in poverty are possible—and quickly,” said Sarangi. “We can end child poverty, but only with decisive policy action now.” Provincial and territorial compendium report cards are also being released today.

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## BACKGROUNDER

Key Findings from the 2025 National Child and Family Poverty Report Card, *Investing in Tomorrow: A Future Without Poverty*:

- According to the official poverty measure (MBM), child poverty has more than doubled since 2020 to 10.7% (802,000 children).
- Using the broader Census Family Low Income Measure, After Tax (CFLIM-AT), 18.3% of children, nearly 1.4 million, lived in poverty.
- 2.5 million children in the provinces lived in food-insecure households. The number of children in severely food-insecure households doubled between 2019 and 2023.
- Nearly 1 in 5 children under six live in poverty.
- Poverty rates were highest in Nunavut, followed by Saskatchewan and Manitoba.
- 45.2% of children in lone-parent families live in poverty, compared to 10.1% of children in couple families.
- Nearly all children under 18 years of age who do not live in families live in poverty (99%).
- More than half of children living on reserve were in poverty in 2023.
- Depth of poverty surged in 2023. Families with children were \$15,182 below the low income threshold on average, with the gap widest for lone-parent families with two children at \$16,859.
- More than 1.2 million adults (6.8%) were living in working poverty, meaning their wages alone were not enough to lift them above the low income threshold. Without government supports, nearly one third of children would be living in poverty based market income alone.
- At the same time, income inequality among families with children widened. The top 10% of families with children had an after tax income of nearly 19 times more than the bottom 10% of families with children, larger than in previous years.



- The Canada Child Benefit remained a cornerstone of poverty reduction, protecting more than 580,000 of children from falling into poverty in 2023.
- However, the poverty reduction effect of the CCB has weakened since it's implementation, with 2023 posting the lowest poverty reduction protection since the first full year of implementation in 2017.
- Inflation and high costs of housing and food further eroded the purchasing power for families in low income.
- Although an estimated 900,000 parents are benefiting from the new Canada Wide Early Learning and Child Care system, low income families facing barriers are being left out.
- Youth exiting the child welfare system with few or no transition supports and are more likely to experience homelessness, poverty, social isolation and mental health challenges.

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*Campaign 2000 is a non-partisan, pan-Canadian network of 120+ national, provincial and community partner organizations committed to working to end child and family poverty, hosted by Family Service Toronto. To download 2025 report cards or for more information, please visit <http://www.campaign2000.ca>.*

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