



Canada's Official Poverty Line

Opportunity for All

Opportunity for All is establishing, for the first time, an official poverty line for Canada. This will be based on the **Market Basket Measure (MBM)**, a commonly used poverty indicator based on the cost of a basket of goods and services needed for households to meet basic needs and achieve a modest standard of living.

The MBM basket cost has been calculated for 50 jurisdictions across Canada (all provinces, 19 specific communities, and 31 regions), factoring in varying community sizes and needs appropriate to the regions. A review of the MBM is presently underway to ensure the basket includes northern and remote communities and more adequately reflects regional variations.

Dignity for All

Dignity for All has not recommended in its model plan the creation of an official poverty line, and we have tended to use the **Low-Income Measure After-Tax (LIM-AT)** as our primary measure of poverty rates in Canada, as it provides internationally comparable rates and has in the past allowed for better tracking over time.

However, there are benefits to having an agreed upon poverty line, particularly in setting targets and timelines for poverty reduction. As well, the MBM is considered a better reflection than the LIM-AT of the cost of living across different regions and communities. In the review of the MBM this fall and winter, we will be looking for a more fully and regionally appropriate range for the basket of goods and services. The territories and northern Indigenous communities, and the particular costs unique to those communities, must be added to an updated MBM.

What is in the Market Basket Measure?

The Market Basket Measure of goods and services includes: clothing and footwear; transportation; nutritious food; shelter; and a range of items such as personal care items, household needs, furniture (excluding those already in the shelter component), basic telephone service, reading, recreation, entertainment and school supplies.