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# The Affordability Crisis in Canada

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## Executive Summary

Canada is facing an unprecedented affordability crisis that is impacting every aspect of daily life—from housing and health care to child care and food security. While inflation has returned to the Bank of Canada’s target range, the cost of living remains stubbornly high.

Nearly half of Canadian households report living paycheck to paycheck, and food bank usage has reached record levels. The crisis is not only economic—it is eroding quality of life and deepening inequality.

Housing costs have surged—with home prices rising over 30% since 2020 and rents continue to climb—while housing builds remain well below what is needed to meet demand.

In terms of health care, Canadians are increasingly unable to afford essential medications, and a growing reliance on private clinics threatens the integrity of the public system.

Although federal investments aim to reduce child care costs to \$10 a day, a lack of available spaces and low educator wages continue to undermine accessibility.

Food insecurity is worsening, particularly for low-income and marginalized communities, with over 1.5 million people relying on food banks each month.

The affordability crisis is deeply linked to stagnant wages, supply chain challenges, and policy gaps, and requires coordinated efforts across government and industry.

Diplomat Consulting’s white paper outlines recommendations to improve affordability and ensure economic security for Canadians; however, without addressing the root causes of high living costs, affordability will continue to strain both Canadian citizens and the economy.

Canada’s affordability crisis demands bold, coordinated action across all levels of government and the private sector. Addressing systemic issues—from housing supply to healthcare access—will be critical in building a sustainable, equitable future.

Diplomat Consulting urges policymakers to prioritize affordability, invest in people, and deliver real solutions for Canadians today.



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## Introduction

These days, conversations are frequently about how much more expensive the cost of living is in Canada than pre-pandemic days, and current statistics enforce this point.

From January 2021 to October 2024, the Consumer Price Index (CPI) rose 17.1%, equalling the cumulative increase in consumer prices that occurred over the previous 10 years (see Figure 1).<sup>1</sup> Canada is grappling with a significant affordability

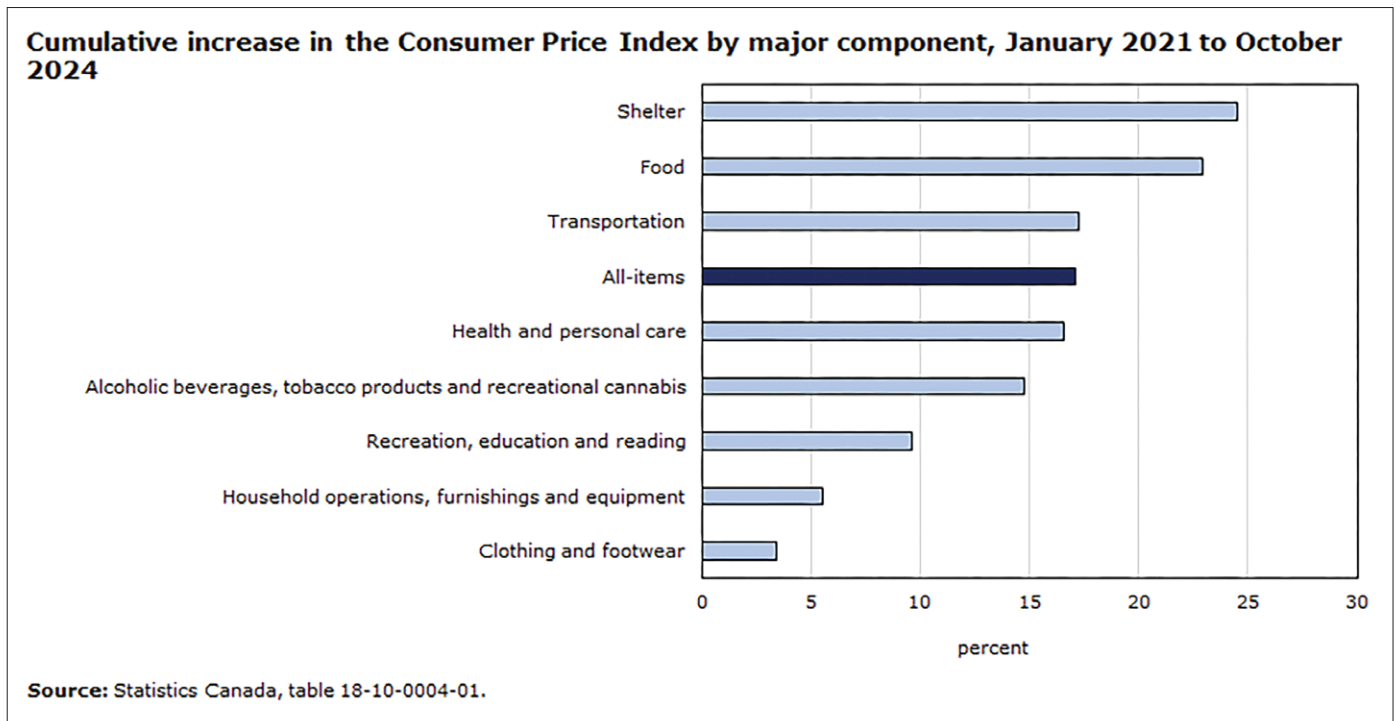


Figure 1: Cumulative increase in the Consumer Price Index by major component, January 2021 to October 2024. Chart courtesy of Statistics Canada.

crisis that is affecting all aspects of life, including housing, health care, child care, food security, and education.

While inflation has recently cooled and is now within the Bank of Canada's target range, cumulative increases in prices over the past three and a half years have created ongoing affordability challenges for many families. According to Statistics Canada, in early 2024, nearly half of Canadians reported that rising prices were greatly affecting their ability to meet day-to-day expenses, 12% higher than what it was two



1 - "An affordability crisis has Ontario in its grip and 'people are still feeling the pain,'" Toronto Star, updated February 26, 2025, <https://tinyurl.com/3ygzsaft>

years earlier (33%). While wage gains have provided some relief, income, and wealth inequality have widened over the past year.

The affordability crisis places substantial financial pressure on households, particularly those with lower incomes. And as our relationship with the United States (U.S.) becomes increasingly strained, including the imposition of 25% tariffs, the Canadian dollar is weakening—meaning our money will not go as far as it once did to purchase goods and services.

Diplomat Consulting’s clients have also been facing disruptive changes to their industries as governments attempt to address affordability issues. However, certain government policies and programs can result in unintended consequences.

For example, Alberta’s shift towards a system of no-fault insurance will cause premium rate increases of up to 7.5%. In British Columbia, the dissolution of the 88-year-old BC Tree Fruits Cooperative put 25 million pounds of apples at risk of rotting given that the government was not interested in saving that organization.

The affordability crisis is also problematic when you factor in the social determinants of health (see Figure 2)<sup>2</sup>, which are a broad range of personal, social, economic and environmental factors that determine individual and population health.



Figure 2: The key Social Determinants of Health (SDOH), as identified by the World Health Organization and the Public Health Agency of Canada. SDOH—such as income, housing, education, and community context—are deeply interconnected with affordability and well-being across Canada. Image courtesy of CDC.

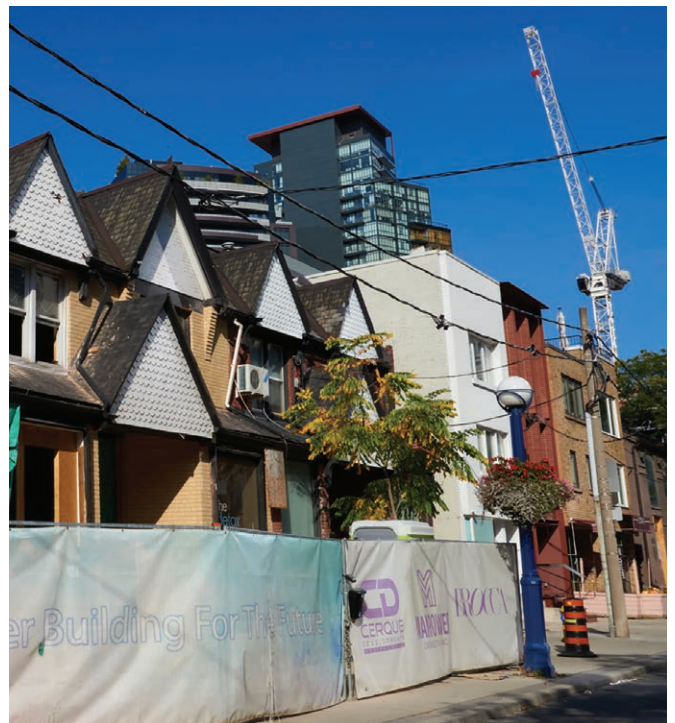


Image courtesy of Policy Options.

2 - “Social determinants of health and health inequalities,” Government of Canada, updated July 18, 2024, <https://tinyurl.com/5eyzjyts>

# 1. Housing

Access to housing in Canada should meet some basic conditions<sup>3</sup>: affordable, habitable, accessible, secure, culturally appropriate, and allows for the engagement with local economies and services.

Nearly half (45%) of Canadians reported being very concerned about housing affordability because of the rising costs of housing or rent<sup>4</sup>, according to the most recent cycle of the Canadian Social Survey (CSS) – Quality of Life, Health, and Housing Costs, collected from August 2 to September 15, 2024. As communities across the country experience an increase in homelessness and an explosion in housing need, the national housing crisis presents one of Canada’s greatest social and economic challenges.

Since April 2020, housing prices in Canada are up more than 30% on average, making homeownership increasingly unattainable<sup>5</sup>. For example, average home prices in cities like Vancouver and Toronto have doubled in the past decade. And the outlook as it pertains to the rental market is just grim.

New tenants across Canada are facing significant rent hikes. According to the Canada Mortgage and Housing Corporation (CMHC)<sup>6</sup>, rents for newly vacated units increased by 23.5% in 2023. While turnover affected 1 in 8 units, these accounted for over 40% of the total rent increases.

In *Solving the Housing Crisis: Canada’s Housing Plan*, it outlines the housing crisis of our past.

*“At the end of the Second World War...Canada had a choice between building homes slowly and steadily or rising to the occasion to build quickly or rising to the occasion to build quickly and ensure that everyone who called our growing country home would have a roof over their head. Canada chose to build. Governments and private industry came together and made the investments necessary to get the job done. Canada met the moment. Canada chose to build. What*

“ At the end of the Second World War...Canada had a choice between building homes slowly and steadily or rising to the occasion to build quickly and ensure that everyone who called our growing country home would have a roof over their head. Canada chose to build. ”

— *Solving the Housing Crisis: Canada’s Housing Plan*

*followed was a national effort to build homes at a record pace to meet the needs of a new generation of Canadians.”*

Unfortunately, in the decades since WWII, investments and ambition in housing Canadians started to wane. Governments at every level chose not to invest in building homes.

Over time, it became more challenging to build homes in Canada. Restrictive planning policies prevented the construction of high-density housing near existing infrastructure and transit. Municipalities started charging extra fees to help meet budget demands. Provinces fell behind on supportive housing investments and the federal government moved away from setting national standards and from providing funds that matched the rising cost of living. These factors created higher costs, construction delays, and a lack of affordable housing options.

3 - Government of Canada, National Housing Strategy Act, S.C. 2019, c.29, s.13, <https://tinyurl.com/5t4d9xp2>

4 - Housing challenges related to affordability, adequacy, condition and discrimination, August 2 to September 15, 2024,” Statistics Canada, updated November 19, 2024, <https://tinyurl.com/vp58ht6k>

5 - “Entry to Canadian housing market feels out of reach for 76% of non-owners, poll suggests,” The Globe and Mail, updated April 11, 2024, <https://tinyurl.com/nhh2bbrd>

6 - “Fall 2024 Rental Market Report”, Canada Mortgage and Housing Corporation, updated September 1, 2024, <https://tinyurl.com/5756n93f>

In 2017, Canada started investing in housing again. For the first time in decades, Canada invested in more housing for low-income and vulnerable Canadians, started incentivizing rental construction, and created programs to make it easier for people to buy their first home. However, as Canada emerged from the pandemic, housing pressures grew. A lot of Canada's housing stock was purchased, for occupancy or as an investment, while interest rates were low.

Today, provincial, territorial, and municipal governments are once again under pressure to deal with the housing crisis, which has largely been driven by supply and demand, immigration, rental and construction inflation, high interest rates, labour shortages and more.

Without intervention Canada's housing affordability crisis may persist until 2055 due to lengthy planning and approval processes, according to a new report<sup>7</sup> from the CMHC. Canada has never exceeded 273,200 housing starts in a single year,

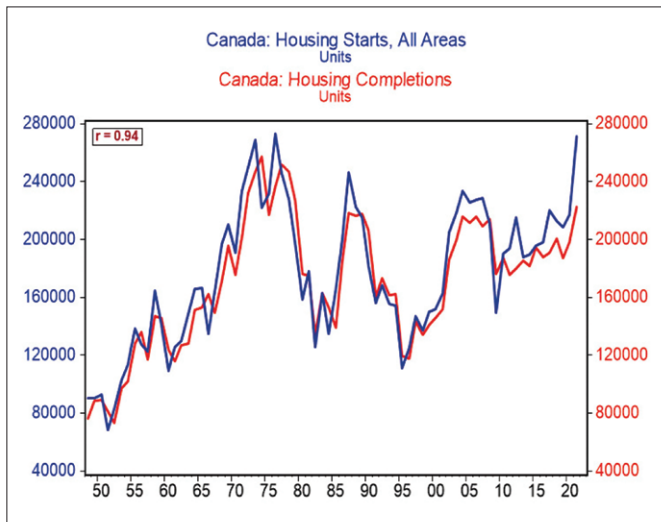


Figure 3: Housing starts in Canada have surged to levels not seen since the 1970s, but the pace of delivery still struggles to meet sustained demand. Chart courtesy of CMHC.

a record set in 1976. "To meet the government's affordability target, Canada would need at least 650,000 housing starts annually, a number that is currently impossible to achieve," CMHC concluded (see Figure 3).

There are many things that can be done in the short-term to improve access to affordable and sustainable housing, including building and repairing homes, repurposing federal properties for housing, and streamlining approvals for housing projects.

*Solving the Housing Crisis: Canada's Housing Plan*<sup>8</sup> is an ambitious plan that recognizes addressing the national housing crisis is a team effort. The Plan details three areas of focus, including:

1. **Building New Homes:** By bringing down the costs of homebuilding, helping cities make it easier to build homes at a faster pace, changing the way Canadian homebuilders manufacture homes, and growing the workforce to ensure we get the job done.
2. **Making it easier to own or rent a home:** By ensuring that every renter or homeowner has a home that suits their needs, and the stability to retain it.
3. **Helping Canadians who can't afford a home:** By building more affordable housing for students, seniors, persons with disabilities, equity-deserving communities, and eliminating chronic homelessness in Canada.

This plan charts a path forward for the federal government; however, no one level of government, home builder, not-for-profit, or community can do it alone. Canada requires every partner pulling in the same direction to build the homes Canadians need, faster.

7 - "Fall 2024 Rental Market Report", Canada Mortgage and Housing Corporation, updated September 1, 2024, <https://tinyurl.com/5756n93f>

8 - "CMHC says housing crisis relief could take 30 years," Western Standard News, updated March 1, 2025, <https://tinyurl.com/2nh3z7fd>



Figure 4: A tiny home village in Lower Sackville, Nova Scotia, opened in November 2024. Image courtesy of Global News.

From concept to construction, we must increase the pace of homebuilding to get Canadians into homes that meet their needs at prices they can afford.

Consequently, the federal government has announced numerous initiatives ranging from the:

- Affordable Housing Fund which is a \$13.2-billion program that provides low-interest or forgivable loans and contributions for new and repaired affordable and community housing.
- The \$1.5-billion Canada Rental Protection Fund<sup>9</sup> designed to save existing apartment buildings from being sold and converted into higher-priced units.
- The \$1.1-billion plan over the next 10 years to reduce the amount of federal office space by half and prioritize that land for student or non-market housing.

Building a home costs more than just labour, materials and land—builders pay a considerable amount in permit and zoning fees, on top of development fees to fund infrastructure and amenities. In the immediate future, it is crucial to streamline approvals.

In September 2024, Edmonton became the first city in Canada to automate development permits for detached and semi-detached homes. Builders can fill out specifications online and begin construction the same day.

To make it easier to rent or own a home, reusing decommissioned space than building new is more cost-effective and sustainable, reducing the need for new materials and lowering the carbon footprint of construction.

And for those Canadians unable to afford a home, tiny-home villages have emerged as a solution to Canada's houselessness crisis<sup>10</sup> (see Figure 4).

9 - Infrastructure Canada, Solving the Housing Crisis: Canada's Housing Plan (Ottawa: Infrastructure Canada, 2024), <https://tinyurl.com/mvmjdwj8>

10 - "Ottawa launches \$1.5-billion fund to protect existing rental apartments," The Globe and Mail, updated April 5, 2024, <https://tinyurl.com/2j53xyha>

## 2. Health Care

When asked about the most pressing issues facing Canada today, Canadians continue to rank inflation, the cost of living, and health care as their top concerns. Generally, Canadians are proud of the public health care system, a responsibility shared among all levels of government. However, rising costs and specific expenses like prescription drugs and non-insured services have an impact on the affordability.

A national poll conducted by Leger found that nearly one-quarter of Canadians (22%) have reported splitting pills, skipping doses, or deciding not to fill or renew a prescription due to cost. More than 1 in 4 (28%) have had to make difficult choices to afford prescription drugs, such as cutting back groceries, delaying rent, mortgage, or utility bills and incurring debt.

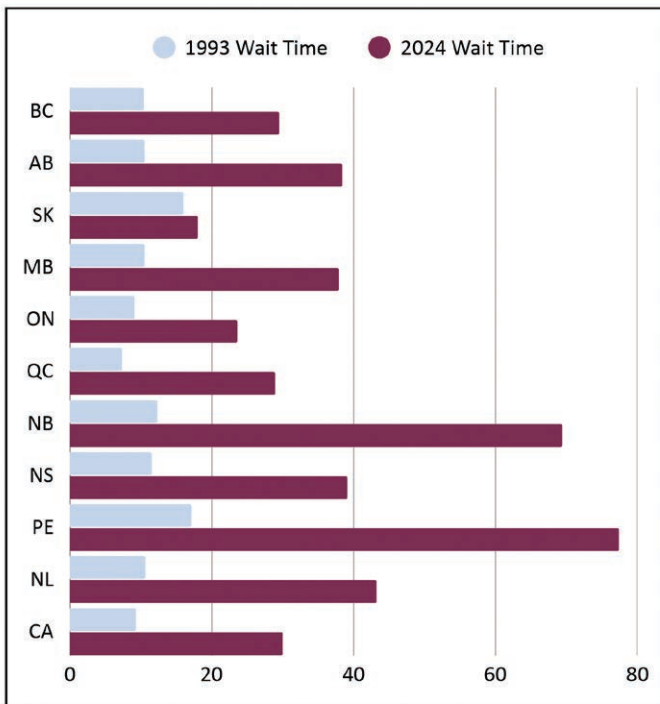


Figure 5: Wait times for health care in Canada. Chart adapted from the Fraser Institute.

The polling also found (see Figure 5)<sup>11</sup> that 1 in 10 Canadians (10%) with chronic conditions have ended up in the emergency room due to worsening health because they were unable to afford prescription medications. Confidence in the ability to access care is declining.

In addition, Canadians are turning to private, for-profit care in increasing numbers<sup>12</sup>. These clinics can introduce user fees and additional billing practices not covered by the public health insurance system, potentially leading to a two-tiered care system where those with greater financial resources can access faster or more comprehensive care, while those relying on public health services face longer wait times and limited options.

A CBC study found<sup>13</sup> that a knee replacement surgery in a public hospital, paid by the province, costs about \$10,000. The same surgery in a private clinic can reportedly cost patients up to \$28,000.

There are supporters of instituting for-profit health care models, such as private clinics. However, this approach risks further entrenching inequities.

The risk is that private care becomes a more prevalent option, leading to a deterioration of a universal, publicly funded health care system and widening disparities in health care access and quality. Non-insured health services (NIHS) represent another area where Canadians face rising costs. NIHS include a wide range of health care needs such as dental care, vision care, physiotherapy, chiropractic treatments, and mental health services. These services, while critical to overall health, are not covered under the *Canada Health Act* and are generally left to private insurance.

Dental and vision care can be particularly expensive. The cost of routine dental checkups, surgeries, or orthodontics can run into the thousands of dollars, and without coverage, many Canadians are unable to access these services regularly.

11 - "How to Fix Canada's Housing Crisis," *Maclean's*, updated March 17, 2025, <https://tinyurl.com/mwbhcv8h>

12 - "National poll finds nearly 1 in 4 people in Canada report measures such as skipping doses, splitting pills, not filling prescriptions due to cost," *Heart & Stroke Foundation of Canada*, updated February 12, 2024, <https://tinyurl.com/bdeheb3w>

13 - *Canadian Centre for Policy Alternatives, Alternative Federal Budget 2024: Building Momentum* (Ottawa: Canadian Centre for Policy Alternatives, 2024), <https://tinyurl.com/mrxx5899>

“ Universal, accessible, and publicly funded health care is a point of pride for Canadians, and protecting it is a priority for our government. Collectively, we have made the choice to leave no one behind and deny no one necessary care, regardless of their ability to pay. ”

— Health Minister Jean-Yves Duclos

Similarly, mental health care, including therapy and counseling, has become a growing concern, especially as mental health challenges rise across the country.

The federal government’s 2024 annual report<sup>14</sup> on the *Canada Health Act* stated: “Universal, accessible, and publicly funded health care is a point of pride for Canadians, and protecting it is a priority for our government. Collectively, we have made the choice to leave no one behind and deny no one necessary care, regardless of their ability to pay.”

However, the health system in Canada has been facing significant challenges, such as overwhelmed emergency rooms, and a lack of access to a family doctor. Collaborative efforts by federal, provincial, and territorial governments are needed to continue to address these challenges.

The pandemic has also contributed to the strain on our health care system. Many care providers are frustrated and burnt out, driving them to change careers, take early retirement,

or leave the public system to work for higher-paid private agencies. The Government of Canada, along with the provinces and territories, recently committed to take concrete actions to address health workforce challenges<sup>15</sup>.

In March 2024, the Government of Canada released the Nursing Retention Toolkit to help improve the working lives of nurses (see Figure 6). In March 2025, the federal government announced up to \$14.3 million in funding across four organizations through the Foreign Credential Recognition Program. This funding will help more internationally educated health professionals (IEHPs) enter the workforce, reduce critical labour strains in our health sector, and ensure hospital and medical centres are staffed with the talent they need to deliver the quality health care.



Figure 5: The Government of Canada released *The Nursing Retention Toolkit: Improving the Working Lives of Nurses in Canada* in March 2024 to support nursing retention. The toolkit focuses on eight core themes that impact a nurses’ day-to-day working life.

14 - “Do private, for-profit clinics save taxpayers money and reduce wait times? The data says no,” CBC News, updated March 14, 2023, <https://tinyurl.com/4bm-which>

15 - “Federal, provincial and territorial statement on supporting Canada’s health workforce,” Government of Canada, updated October 12, 2023, <https://tinyurl.com/bdh7zd9t>



Image by Sean Anthony Eddy, iStock.

Proposals for strengthening the health care system in Canada also include universal pharmacare and expanded mental health and dental benefits. In February 2024, the Government of Canada introduced the *Pharmacare Act*. Drug coverage for contraceptives will mean that nine million Canadians of reproductive age will have better access to contraception and reproductive autonomy, reducing the risk of unintended pregnancies and improving their ability to plan. Furthermore, improving access to diabetes medications will help improve the health of 3.6 million Canadians living with diabetes, and reduce the risk of serious life-changing health complications, such as blindness or amputations.

In March 2024, the Government of Canada launched the Canadian Dental Care Plan that provides oral health care for up to nine million uninsured Canadian residents with an annual family income of less than \$90,000.

While Health care is mostly run by provinces and territories, it is clear the federal government still has a big role to play, because they are the largest funder of health care, and run several health care systems of their own.

Canadians deserve better access to health care services and affordable medicines, regardless of where they live or their ability to pay. Therefore, provinces and territories need to:

- Complete their own action plans – focused on shared national priorities such as access to primary care but tailored to regional needs – so they can unlock federal funding to transform care.
- Enable physicians to practise outside their home jurisdictions without additional licensing requirements, support virtual care across provincial borders, and offer greater continuity and timeliness of care.
- Reduce physicians’ administrative burden – physicians lose 18.5 million hours each year addressing unnecessary administrative tasks, equivalent to about 55 million patient visits.

By implementing systemic change—such as pharmacare and expanded coverage for essential services—Canada can strengthen its healthcare system and promote a healthier, more equitable society.

### 3. Child Care

According to recent statistics, the average cost of child care for infants can range from \$800 to \$1,500 per month and are influenced by a multitude of factors. These include which province or territory you reside in, whether you live in a large city, town, or a more rural area, the type of care required, the child’s age, and whether you choose a regulated or unregulated option and the ratio of children to care providers.

As part of its 2021 Budget, Canada’s government pledged to establish the Canada-wide Early Learning and Child Care System<sup>16</sup>, which included \$30 billion in funding over five years to reduce fees, increase access to high-quality care, and improve wages for early childhood educators. This system aims to reduce the cost of child care to an average of \$10 per day by 2026.

Since its launch, parents with access to child care are enjoying savings, but more than 60% of parents wanting child care reported difficulties finding it, up from 53 per cent in 2019<sup>17</sup>. A shortage of spaces limits the program’s effectiveness.

The major roadblock to opening new spaces is staffing shortages. Increased demand has revealed pre-existing labour and infrastructure shortages. Difficulties finding and keeping staff directly impact child-care availability, stability, and quality. Without educators, centres operate with reduced enrolment, affecting their financial viability. Canada does not have enough trained early childhood educators or child-care spaces.

With little improvement in pay for child-care educators in more than 30 years, wages will likely need to rise substantially to recruit and retain enough qualified early childhood educators to meet demand, maintain, or improve staff–child ratios.

Regional disparities also remain. For example, families in large cities like Vancouver or Toronto still face high fees despite federal subsidies. Furthermore, there is a shortage of available child-care spaces in some areas, leaving families on long waiting lists or with few affordable options (see Figure 7).

Unfortunately, the high cost of child care disproportionately affects low and middle-income families. In some cases, parents are paying more for child care than for housing or groceries. This financial burden creates inequities, where some parents, especially women, are forced to leave the workforce or limit their career progression due to the high cost and limited availability of affordable child care options. Roughly one in three respondents said they had to change their work or study schedules, work fewer hours, or delay their return to work.

The lack of accessible care also impacts children’s early development, particularly in communities with fewer resources. There is a need for more publicly funded and managed child-care spaces and adequate staffing to meet demand<sup>18</sup>. To solve this problem the federal government needs to address capacity shortages directly.

Another aspect of the debate on child-care affordability revolves around funding for licensed and unlicensed care. To be clear, licensed child care includes home daycares, centres, before and after-school programs, and preschools.

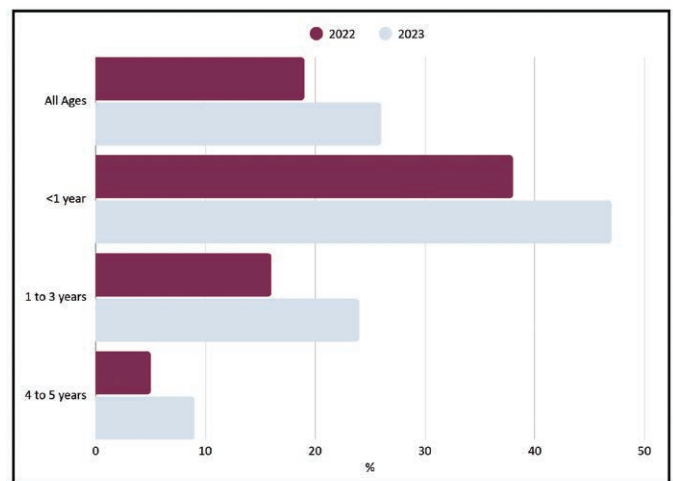


Figure 7: Proportion of children aged 0 to 5 years not in child care who are on a waitlist, by age group in 2022 vs. 2023 (territories not included). Results are significantly different than 2022. Chart adapted from Statistics Canada.

16 - “Canada – Ontario Canada-wide Early Learning and Child Care Agreement – 2021 to 2026,” Government of Canada, updated May 9, 2022, <https://tinyurl.com/yk46s4b5>

17 - “Child care arrangements, 2023,” Statistics Canada, updated December 5, 2023, <https://tinyurl.com/3jyky56b>

18 - “Child-care costs are dropping across Canada. But some families are still waiting years for spaces,” CBC News, updated January 20, 2024, <https://tinyurl.com/4xcpx88j>



Image by Fatcamera, iStock.

These are regulated and must adhere to standards regarding safety, staff qualifications, child-to-adult ratios, and quality—in the same way that public schools in Canada follow guidelines related to curriculum and educational standards.

A recent report reveals that only about 12% of children in Canada are in informal child-care arrangements and 21% are cared for exclusively by parents as opposed to 67% in licensed care.

Provincial and territorial governments can provide substantial capital grants or loan guarantees to not-for-profit and public

operators to ensure and accelerate a planned and coordinated expansion of child care. In large jurisdictions, specialized development agencies could be established to design, plan, and build not-for-profit and public centres. Governments could also take steps to encourage the delivery of more child-care services by municipalities, colleges, and school boards.

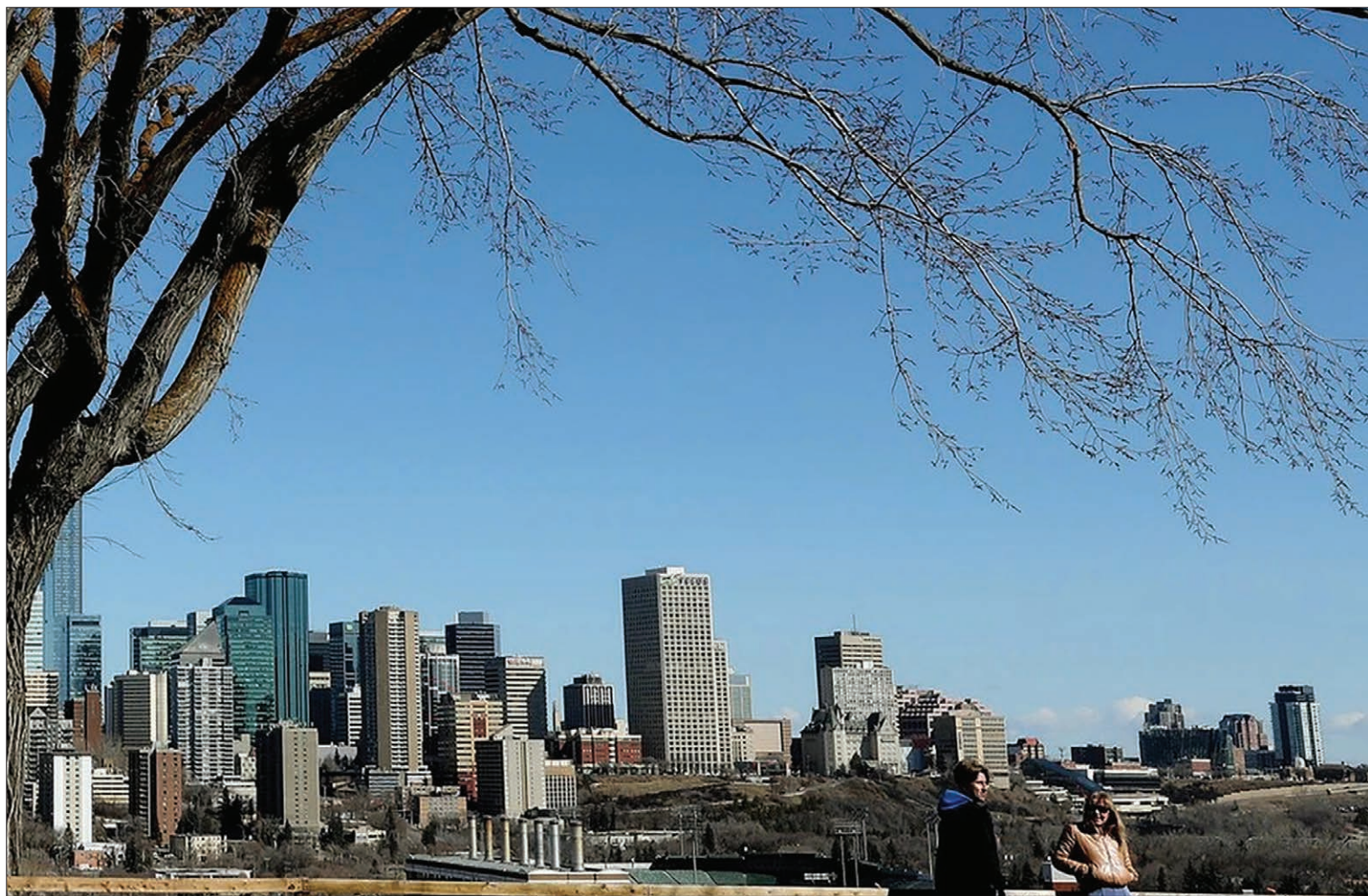
One way to do this is to provide child-care operators with a clear, predictable operational funding formula to have a clear view of expected revenues and encourage long-term investments, including increased workforce compensation.

Lastly, there is still a stark difference between the coverage of maternity and parental leaves between Quebec, which has had the Québec Parental Insurance Program (QPIP) since 2006, and the rest of Canada, which relies on federal Employment Insurance (EI). Some of this gap could be addressed by making changes to ensure that parents who do not currently qualify for paid leave through EI, receive income benefits during the first year of their child's life.

Parents deserve a choice when it comes to child care. At a time when the cost-of-living increase is a reality felt by so many Canadian families, partisan debates must be put aside to do what is best for children and parents.

Despite the Government of Canada having prioritized child care by expanding child-care capacity and opening a variety of licensed care options, combined with extended parental leave, finding child care is more difficult, but less expensive. Understanding these factors is crucial in comprehending the current state of child care in Canada and the potential impact of policy changes.

It is likely that a cost-shared federal–provincial supplementary financing program for high-fee jurisdictions is necessary. This approach would provide additional revenue to governments, which benefit from the increased labour force participation of mothers.



*Image courtesy of David Bloom, Post Media.*

## 4. Food Security

Food security is a fundamental right that ensures all people have access to sufficient, safe, and nutritious food that meets their dietary needs for an active and healthy life. In Canada, a country known for its vast agricultural resources, food insecurity remains a pressing issue, affecting millions of citizens—especially those in marginalized communities.

Food prices have risen sharply due to inflation<sup>19</sup>, global supply chain disruptions, and climate change impacts—increasing food insecurity among Canadian households. From 2021 to 2022, prices for food purchased from stores increased by 9.8% on average nationally<sup>20</sup>. This year-over-year growth is a continuing trend, with food prices up by 19.1% from 2018 to 2022. The rise in food prices is contributing to more Canadians experiencing food insecurity.

Despite the nation’s wealth and agricultural prowess, approximately 1 in 8 households in Canada experience food

insecurity. This issue is particularly severe among low-income families, Indigenous peoples, and residents of rural and northern areas. Remoteness from supply chains, inadequate transportation infrastructure, and higher food prices make accessing fresh, affordable food difficult.

In 2022, 16.9% of Canadians were food insecure, compared with 12.9% in 2021. Overall, the proportion of individuals in households experiencing food insecurity has increased by 5.3 percentage points from 2018 to 2022.

As food prices climb, more Canadians are turning to food banks for assistance. In March 2024, there were over 2 million visits to food banks in Canada — the highest number in history. Furthermore, food bank usage has increased 90% compared to March 2019, and there are signs that the food banking system is reaching its absolute limit.

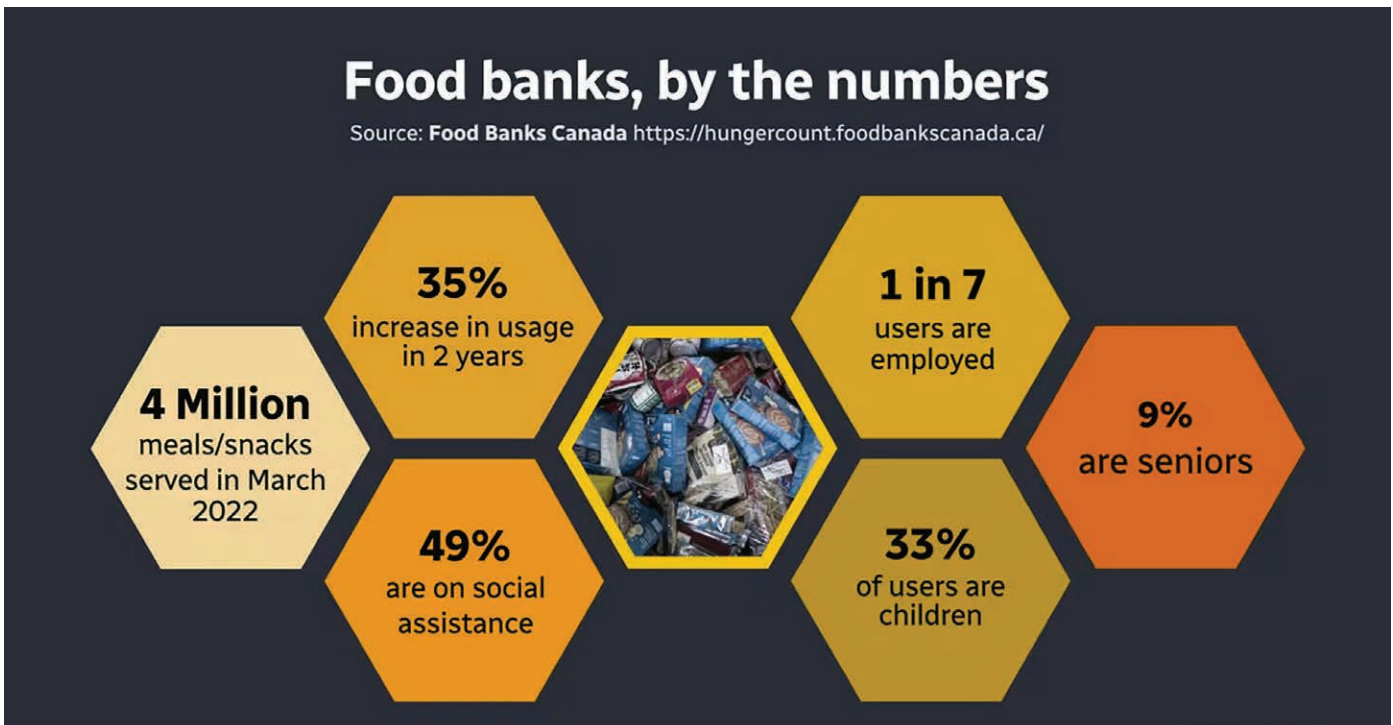


Figure 8: Food bank usage has surged across Canada, reflecting the deepening impact of the affordability crisis on household food security. Image and statistics courtesy of Food Banks Canada and CBC News.

19 - "AFB 2024: Taxation," Canadian Centre for Policy Alternatives, updated August 24, 2023, <https://tinyurl.com/yafucznh>

20 - "Consumer Price Index: Annual review, 2022," Statistics Canada, January 17, 2023, <https://tinyurl.com/4mvn3p6z>



Image courtesy of Wes Rosa, Global News.

According to recent statistics, food bank usage in Canada has reached unprecedented levels, with more than 1.5 million individuals relying on these services each month (see Figure 8). This includes a growing number of working families who, despite having jobs, struggle to afford basic necessities due to stagnant wages and high living costs.

The rise in food bank usage highlights a critical issue: many Canadians are facing severe food insecurity. The lack of food security not only impacts health outcomes but also contributes to a variety of social, economic, and environmental challenges. Increasing food prices mean that many households must make difficult choices between paying for food and other essentials such as housing and health care.

To make matters worse, unpredictable weather patterns, floods, and droughts can affect crop yields, leading to higher food prices and reduced availability of locally grown produce. Climate change also increases the risk of food supply chain disruptions.

Canada should promote regional food systems that reduce transportation costs and increase access to fresh produce, especially in remote areas. Investment in food hubs, farmers' markets, and community gardens can empower local communities and reduce food insecurity. Additionally, Canada should prioritize policies that reduce carbon emissions and support sustainable farming practices. Encouraging regenerative agricultural techniques, investing in water management, and enhancing disaster preparedness can help ensure a stable and resilient food supply.

A comprehensive, coordinated national food security strategy is needed. This strategy should address the full scope of food security—from sustainable food production and distribution to public health education. Collaboration between federal, provincial, and municipal governments, as well as non-profit organizations and industry stakeholders, will be critical in creating a framework for long-term food security.

Ensuring that low-income individuals and families have access to affordable, nutritious food is essential for reducing reliance on food banks and improving public health.

In Canada, food insecurity is also an issue of income inadequacy<sup>21</sup>. At least 52% of all households living with food insecurity in Canada receive employment or self-employment income as their main source of income. Workers are struggling to meet their basic needs because they have inadequate income due to a precarious labour market that pays lower wages, offers fewer protections and benefits, and has unpredictable work hours and wages.

Addressing this issue requires both short-term relief efforts and long-term systemic changes. By enhancing social safety nets, investing in local food systems, supporting vulnerable communities, and mitigating the impacts of climate change, Canada can build a more food-secure future for all its citizens. It is imperative that immediate action is taken to ensure that all Canadians have reliable access to nutritious and affordable food, paving the way for a healthier, more equitable society.

21 - "AFB 2024: Food security," Canadian Centre for Policy Alternatives, August 24, 2023, <https://tinyurl.com/4efcmb9n>

## Conclusion

The affordability crisis in Canada presents significant challenges, impacting housing, health care, child care, and food security.

As housing costs, health care expenses, and the price of everyday goods and services continue to rise, many Canadians are finding it increasingly difficult to make ends meet. The challenge of affordability is particularly pronounced for low-income households, young people entering the housing market, seniors, and marginalized communities.

Without addressing the root causes of high living costs—such as wage stagnation, rising debt, and insufficient social safety nets—affordability will continue to strain both individual well-being and the broader Canadian economy.

To create a more affordable future, the government and private sectors must work collaboratively to implement policies that improve income security, control housing costs, and reduce financial barriers to essential services. These could include measures like increasing affordable housing stock, expanding access to quality health care and education, raising the minimum wage, and improving social assistance programs. Moreover, tackling affordability issues must also consider regional disparities, as Canadians in remote and rural areas face additional challenges.

Ultimately, ensuring affordability for all Canadians is essential for fostering social equity, economic stability, and a high quality of life. By taking decisive and comprehensive action now, Canada can build a more resilient, sustainable, and inclusive future where affordability is within reach for all its citizens.

The team at Diplomat Consulting can guide your business in navigating these challenging times, as well as support you in understanding any political risk. For more information, please contact Diplomat Consulting at [hello@diplomatconsulting.com](mailto:hello@diplomatconsulting.com).

## Glossary

**BDO Canada:** Binder Dijker Otte Canada. A Canadian limited liability partnership company.

**Consumer Price Index:** A measure of the average change over time of the price paid by consumers for a market basket of consumer goods and services.

**Food Insecurity:** The condition of not having access to sufficient food, or food of an adequate quality to meet one's basic needs. In Canada, this is measured using the Household Food Security Survey Module (HFSSM).

**Foreign Credential Recognition Program:** Targets internationally trained professionals to simplify the recognition of their credentials through the provision of funding, job banks, and forums.

**Social Assistance:** Public provision for the economic and social welfare of individuals in need for varying reasons.

**Social Determinants of Health:** The non-medical factors that influence a person's health and overall well-being.



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