

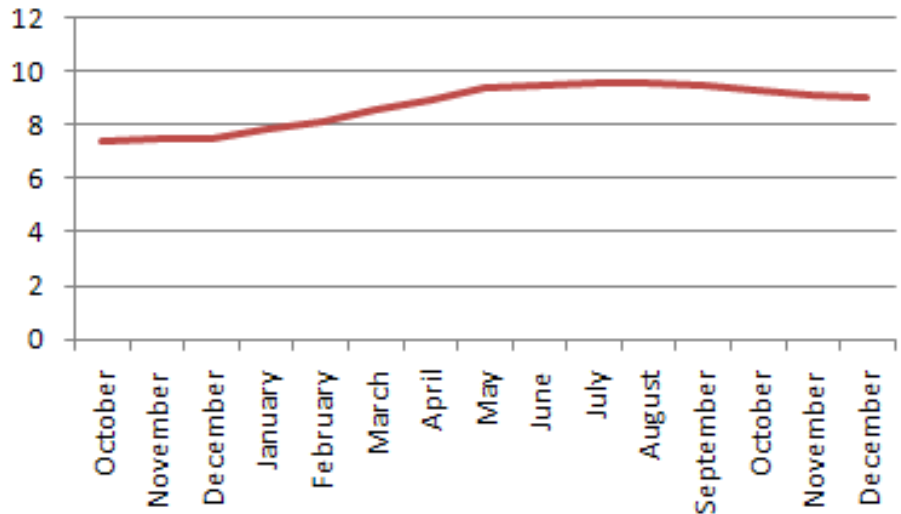
Recovery? Not for Montreal families.

While the 2008-2009 recession's impact was comparatively light in Montreal, Montreal had a weak economy going into the recession and the recession has left it in even worse shape. Unemployment, which was already high, increased even further. Employment Insurance coverage was very low and social assistance caseloads rose. Average rent grew by significantly more than inflation, requiring low income Montrealers to stretch their incomes further to pay for shelter costs. As a result of the growing economic insecurity, food bank use and bankruptcies climbed considerably in Montreal.

While we need to wait until 2011 for most published measures of poverty to show the recession's impact, these key economic indicators already reveal the trends of increased poverty and economic insecurity for Montreal's

families. Even before the recession, Montreal had fairly high poverty rates. In 2007, the poverty rate for Montreal was 14.3%. The child poverty rate was 13.8%. Based on our trend analysis, the recession has increased Montreal's poverty and child poverty rates even further.

Unemployment Rate Montreal, October 2008-December 2009



Unemployment and Employment Insurance

- Unemployment rose in Montreal from 7.4% in October 2008 to 9% in December 2009.
- The number of EI recipients in Montreal increased 48.2% between October 2008 and October 2009, to 59,660.
- Montreal had a very low rate of EI coverage. In August 2009, only 36.9% of the unemployed received benefits: just over 1 in 3 unemployed workers.



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For more information: *Bearing the Brunt: How the 2008-2009 Recession Created Poverty for Canadian Families* available at www.cpj.ca/bearingthebrunt.

Social assistance

- Because of rising unemployment and low EI coverage, the number of families receiving Last Resort Financial Assistance increased.
- Between October 2008 and December 2009, the number of cases rose 2.1% to 111,712.
- Social assistance recipients included 49,306 children.

Housing

- Average rent in Montreal rose 2.7% between October 2008 and October 2009, compared to core inflation of 0.8% over the same period.
- Despite the rise in average rent, rental affordability in Montreal increased slightly, as median rent for a two-bedroom apartment is under 30% of the median income earner's income.
- Montreal is one of the most affordable cities in Canada for rental housing.



Effects of the recession

- The recession has led to an increase in bankruptcy and food bank use.
- Between the end of September 2008 and the end of September 2009, the number of bankruptcies in Montreal rose 27.6%.
- The number of food bank users increased 16.9%.
- In March 2009, 52,569 people in Montreal needed to use a food bank.
- The number of children receiving food increased 56% compared to 2008.

Employment

- Montreal lost 28,400 jobs during the recession.
- Unlike most Canadian cities, the majority of jobs lost in Montreal were part-time: 20,700 part-time jobs.