

# The Cost of the Nutritious Food Basket

IN WATERLOO REGION 2019



## Key Messages

- Food insecurity is the inadequate or insecure access to food because of financial constraints<sup>1</sup>.
- At least 19,465 households in Waterloo Region (almost ten per cent of households) are food insecure<sup>2</sup>.
- Nutritious Food Basket survey results show that for some Waterloo Region residents the cost of housing, food and other basic expenses exceed total household income.
- After paying for housing and household bills, people receiving social assistance or living on low-paying wages may not be able to purchase nutritious food. As a result, they may end up skipping meals or using charitable food programs<sup>3</sup>.
- Emergency food services may help those experiencing immediate hunger; however, these services do not effectively or permanently address the root cause of food insecurity, which is poverty<sup>1</sup>.
- Food insecurity is associated with poorer nutritional intake<sup>4,5</sup>, and increases a person's risk of developing chronic diseases and poor mental health status<sup>6</sup>.

## What is the Nutritious Food Basket?

The Nutritious Food Basket (NFB) is a tool used to estimate the basic cost of healthy eating for individuals and households<sup>7</sup>. The National Nutritious Food Basket (2008) guides this costing tool and includes 67 food items that represent a variety of foods as outlined in Eating Well with Canada's Food Guide (2007). The tool has not been updated to reflect the 2019 Canada's food guide.

The total cost of the NFB in Waterloo Region is calculated by averaging the lowest available retail prices for the 67 specified food and beverage items collected from eight food retail stores across the Region<sup>7</sup>. The calculation also includes an additional five per cent to cover miscellaneous food items (such as seasonings, condiments, baking supplies, coffee and tea), but does not include convenience food items, or other non-food items (such as soap, toilet paper, toothpaste, or personal hygiene products). The cost of the NFB can be adjusted for household size.

The NFB does not take special dietary restrictions, local foods, or the additional cost of eating out or inviting company to share a meal, into consideration<sup>7</sup>.

In 2019, the cost of eating healthy for a family of four living in Waterloo Region is \$875.92 per month. This represents a 4.9 per cent cost increase from 2017, or approximately \$40.49 per month.

## Food insecurity and health

Food insecurity affects a family's health and well-being. Food insecurity is associated with poorer nutritional intake<sup>4,5</sup>, and individuals experiencing food insecurity are more likely to report poor or fair health, multiple chronic conditions and depression<sup>8</sup>. Those experiencing a greater degree of food insecurity are at an increased risk of developing chronic diseases and poor mental health<sup>6</sup>. Children living in food insecure households are more likely to have lower academic performance at school<sup>9</sup>, making it difficult to break the cycle of poverty as educational attainment is a critical factor in a person's eventual income and economic status<sup>10</sup>.

Food insecurity, in turn, contributes to increased health care use and costs. In 2012, the health care costs of Ontario households classified as severely food insecure were 121 per cent higher than those of food secure households<sup>6</sup>.

## The Nutritious Food Basket can be used to<sup>7</sup>:

- compare the basic cost of healthy eating with income and other basic living expenses
- educate on the root cause of food insecurity
- support advocacy efforts to address the root cause of food insecurity (poverty)
- inform policy decisions

**Table 1: Scenarios comparing household income to approximate monthly expenses in Waterloo Region<sup>11</sup>**

	Family of 4 Ontario Works	Family of 4 Minimum Wage Earner	Family of 4 Median Income (after tax)	Single Woman, 2 children Ontario Works	Single Man Ontario Works	Single Man ODSP	Single Woman over 70 Old Age Security/GIS
Total income*	\$2623	\$3633	\$7983	\$2401	\$825	\$1272	\$1727
Average monthly rent**	3 bedroom \$1254	3 bedroom \$1254	3 bedroom \$1254	2 bedroom \$1210	bachelor \$796	1 bedroom \$1021	1 bedroom \$1021
Food***	\$875.92	\$875.92	\$875.92	\$663.61	\$292.69	\$292.69	\$215.89
Funds remaining	\$493.08	\$1503.08	\$5853.08	\$527.39	-\$263.69	-\$41.69	\$490.11
Percent of income required for healthy food	33%	24%	11%	28%	35%	23%	13%
Percent of income required for rent	48%	35%	16%	50%	96%	80%	59%

\*Income includes all income from employment, Basic Allowance (Ontario Works/Ontario Disability Support Program), Maximum Shelter Allowance, Old Age Security/Guaranteed Income Supplement, Ontario Guaranteed Annual Income System, Canada Child Benefit, GST/HST credit, Ontario Trillium Benefit, and Working Income Tax Benefit. Employment Insurance paid and Canada Pension Plan paid are deducted.

\*\*Rent costs are calculated using Canada Mortgage and Housing Corporation's Rental Market Reports: Ontario Highlights 2018.

\*\*\*Cost of food is calculated using Nutritious Food Basket Data Results 2019 for Region of Waterloo, including family size adjustment factors.

## The Nutritious Food Basket in context

Food insecurity affects almost 10 per cent of households in Waterloo Region<sup>2</sup>. An increased likelihood of food insecurity is seen when greater than 30 per cent of income is needed to pay for housing<sup>12</sup>. In Table 1, only the family of four earning a median income requires less than 30 per cent of their income for housing. After paying for rent and food, this family is left with \$5853.08 for other expenses. If this same family relied on Ontario Works, they would be left with only \$493.08 for all remaining expenses such as telephone, transportation, child care, and household and personal care items. If an unplanned expense were to come up (such as a medical cost not covered through insurance), even less money would be available to cover monthly living costs. As a result, the family may need to use some of their food budget to make up the difference. With less money left for food, they may turn to other options such as skipping meals or using charitable food programs to make ends meet<sup>3</sup>.

## Effective solutions to food insecurity

Emergency food services such as food banks may help those experiencing immediate hunger, but these services do not effectively or permanently address the root cause of food insecurity, which is poverty<sup>1</sup>. Income support mechanisms, such as higher social assistance rates, an increased minimum wage, and income security policies are needed to address this<sup>3</sup>. Private and public sector collaboration can also help address poverty (for example, by encouraging more stable employment opportunities and supporting income tax filing for households living with low income<sup>3</sup>).

Income is the strongest predictor of food insecurity, with lower household incomes at a greater risk<sup>13</sup>. Income-based responses, rather than an adjustment to food and housing costs<sup>14</sup>, are an effective solution to the issue. An example of this is the Guaranteed Income Supplement (GIS). This form of guaranteed income for Canadians age 65 and older has reduced the number of older adults living below the poverty line<sup>15</sup>. The rate of Canadians experiencing food insecurity has been found to be 50 per cent less among low income individuals aged 65 to 69 compared to those aged 60 to 64, after moving to a guaranteed income at the age of 65<sup>16</sup>.

## References

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### For more information

For more information on the Nutritious Food Basket, food insecurity, and how to access emergency food, please visit: <https://www.regionofwaterloo.ca/en/living-here/affordable-food.aspx>

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