

Poverty persists among some racialized Canadians from the first generation to the third generation or more

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Two articles released today in *Economic and Social Reports* provide insights on the poverty rates and changing demographics of racialized population groups in Canada. The article "[Poverty among racialized groups across generations](#)," shows that most racialized groups had higher poverty rates in 2020 than White people. The poverty rate was defined using the Market Basket Measure, which is based on the cost of food, clothing, shelter, and other goods and services that represent a modest, basic standard of living.

Differences in poverty rates between racialized and White people were largest among first-generation Canadians and mostly decreased in the second and third generations. However, poverty rates were persistently higher for some racialized groups (Black, Latin American, Arab, Southeast Asian, West Asian, and Korean people) than White people from the first generation to the third generation or more. The gap in the poverty rate between racialized groups and White people was partially due to differences in sociodemographic characteristics. For example, some racialized groups had a high percentage of children and youth and lone-parent households, which are factors that increase the risk of poverty.

The article "[Changing demographics of racialized people in Canada](#)," provides new data on the growth of racialized groups and changes in their household structure. From 2001 to 2021, the number of racialized people in Canada increased from 3.85 million to 8.87 million. Most racialized people are immigrants, but an increasing number are Canadian born. Few racialized people have been in Canada for more than two generations. The growth of the racialized population over the past two decades amplifies the consequences of persistently high poverty rates among some racialized groups.

Racialized people have undergone fast population growth since 2001

The arrival of immigrants accounted for about two-thirds of the total increase in the size of the racialized population since 2001. One-third of the growth was due to the increase of the second generation, which refers to the Canadian-born children of immigrants. The number of racialized people in the third generation or more also increased, but this contributed a small amount to the overall growth of the racialized population.

All racialized groups grew, but there were differences in the growth rates. The increase was largest for the Arab (+254%), West Asian (+214%), and Filipino (+207%) groups. The growth rates of the Japanese, Chinese, Southeast Asian, Korean, and Black groups ranged from 42% to 154%. This compared with a 1% increase in the size of the White population.

Multi-generational households are more common among the racialized population than the White population. In 2021, many second-generation Canadians from racialized groups were children or adolescents and lived with their immigrant parents and often with their grandparents as well. The high prevalence of these types of household structures suggests that the poverty rates of second-generation Canadians from racialized groups are linked to the economic outcomes of their immigrant parents.

Poverty persists into the third generation or more for some racialized groups

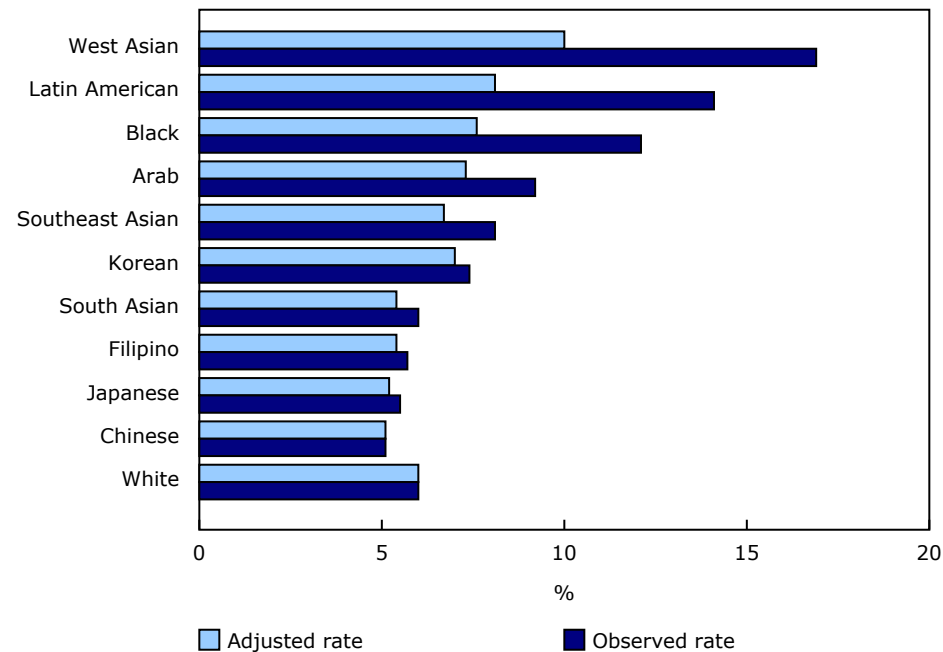
Among first-generation Canadians, poverty rates ranged from a low of 3.9% for Filipino people to a high of 15.4% for Arab people, compared with 7.0% for White people. With the exception of Filipino people, first-generation Canadians from all other racialized groups had higher poverty rates than White people.

The poverty rates of racialized people mostly decreased from the first to second generations, but many racialized groups still had a higher poverty rate than White people. The difference in the poverty rate between Latin American and White people was larger in the second than in the first generation, while the difference with White people was

mostly unchanged from the first to second generations for South Asian, Black, and West Asian people. The difference in the poverty rate between White people and Chinese, Arab, Southeast Asian, Korean, and Japanese people decreased from the first to the second generations.

Some racialized groups had higher poverty rates than White people in the third generation or more. West Asian people had a poverty rate that was nearly triple that of White people in the third generation or more (Chart 1, observed rate). The poverty rates among Black and Latin American people from this generation were more than double the rate of White people. Arab, Southeast Asian, and Korean people also had higher poverty rates than White people in the third generation or more.

Chart 1
Poverty rates among people in Canada in the third generation or more, 2020



Source(s): Census of Population, 2021.

Some of the gaps in the poverty rate between racialized and White people were due to differences in sociodemographic characteristics, such as their age distribution, highest level of education in the household, number of family members with employment income, family size, household type, proficiency in English or French, and region of residence.

In particular, some racialized groups were composed of a comparatively higher percentage of children and youth and lone-parent households, which are characteristics that are associated with a higher risk of poverty. This is why the observed poverty rate was higher than the adjusted rate for some racialized groups (Chart 1). The adjusted rate refers to the poverty rate that would be expected if a racialized group had the same sociodemographic composition as White people. If there were no differences in sociodemographic composition, the gap in the poverty rate between White people and West Asian, Latin American, and Black people would be substantially reduced.

By the third generation or more, South Asian, Filipino, Japanese, and Chinese people had poverty rates that were the same as or lower than observed for White people. Filipinos stood out as the only racialized group to have a lower poverty rate than White people in all three generations.

For more information on other articles released today, please see the *Daily* release "[Economic and Social Reports, August 2023](#)."

The articles "[Poverty among racialized groups across generations](#)" and "[Changing demographics of racialized people in Canada](#)" are now available in the August 2023 online issue of *Economic and Social Reports*, Vol. 3, no. 8 (36-28-0001).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).