

# Mental Health and the High Cost of Living

The high cost of living in Canada has led to increased financial insecurity, pressures on food and housing affordability, and income inequality – which all significantly impact mental health and well-being.

- Financial security and mental health have always been closely linked: negative mental health outcomes are more highly concentrated at lower income levels, and mental health problems and illnesses can lead to financial insecurity.
- Inequities in finances and other social determinants of health present barriers to accessing mental health supports in Canada and need to be addressed through a system-wide response.
- The impact of the high cost of living on mental health and access to services is magnifying existing inequities for diverse communities.
- While the federal government’s focus on the Canada Disability Benefit and targeted funding for individuals with low incomes is promising, more comprehensive policies that target poverty, and the high cost of living are needed to address the associated impacts on mental health.

## KEY ISSUES

### Financial Security

High inflation has made it hard for many households to meet their financial needs or cover an unexpected expense. Poverty and low income put people at a greater risk for mental illness, worsen existing mental health concerns, and create significant barriers to accessing services and supports.

### Access to Mental Health Services

The high cost of living in Canada magnifies inequities in access to mental health services and supports for the people who are most likely to need them: those with low incomes. They are among those least likely to report having a regular primary care provider, and unless accessed with employment benefits, most private mental health services have a high cost. While free virtual services and publicly funded community-based services are affordable, they are stretched, have longer wait times, and allow limited visits without long-term support.

### Food Insecurity

Food insecurity has become a nationwide problem, with 5.8 million Canadians across the ten provinces living in food-insecure households in 2021. Food insecurity that results from being unable to meet day-to-day living costs increases the risk of anxiety and depression symptoms, suicidal thoughts, and mental illness, including mood and eating disorders.

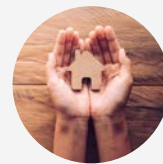
### Mental Health-Related Disabilities

In 2020, mental health-related disabilities were the fourth most prevalent type across Canada. For people experiencing mental health-related disabilities, the rising cost of living has intensified inequality. This includes deep barriers to accessing benefits, a substantial gap between social assistance rates and the poverty line, more access to food banks, and long wait-lists for affordable and supportive housing.

## KEY FACTS



**39%** of respondents feel financial pressures are affecting their mental health.



**23%** are concerned about their ability to make rent or mortgage payments, leading to higher levels of anxiety.



**37%** are struggling to adequately feed themselves or their families, which is impacting their mental health.



**29%** say the inability to pay is a reason for not accessing mental health care, despite needing it.

*Mental Health Research Canada,  
September 2023*

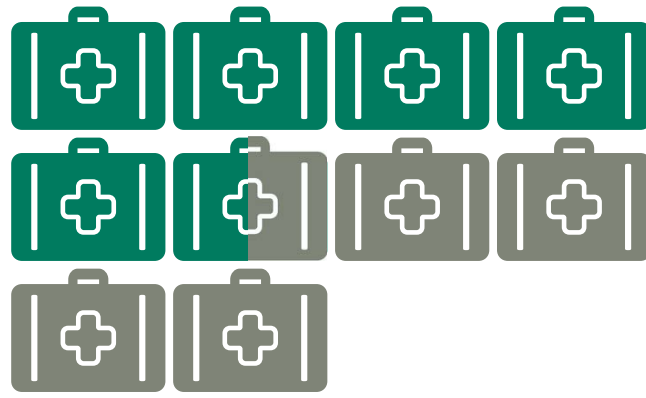
### Unaffordable Housing

Living in unsafe, insecure, or unaffordable housing has long been known to impact mental health, substance use health, and well-being. The high cost of living has contributed to increases in the unhoused and precariously housed population, who are already more likely to experience poor mental health.

### Intersectional Considerations

When long-standing systematic inequities and discrimination are combined with the high cost of living, they magnify mental health impacts and inequities, such as increased burdens on food, housing, health, and mental health expenses. These inequities are experienced differently for First Nations, Inuit, and Métis, rural and remote communities, newcomer and racialized communities, 2SLGBTQ+ communities, women, men, children, youth, older adults, and unpaid caregivers.

**Children and adolescents under 18 in food-insecure Ontario homes made 55% more visits to doctors for mental health reasons compared to those who had enough to eat.**



Income and food insecurity can lead to an acute disadvantage for children and have long-lasting impacts on their mental health and well-being. In 2022, about 1.8 million children and youth in Canada experienced food insecurity and will be at an increased risk of health, mental health, and substance use health concerns throughout their lives. The availability of integrated mental health services and supports that are culturally relevant, community-centric and barrier-free for children and their families is essential.

## POLICY RECOMMENDATIONS

- 1 Strengthen the full range of income and benefit supports for people living in Canada and monitor their associated impacts on mental health.
- 2 Provide new National Housing Strategy funding for Housing First and supportive housing programs (linked to permanent housing) for people living with mental health concerns.
- 3 Promote and invest in an adequate supply of more affordable, safe, high-quality, and nutritious foods for Canadians with low incomes and mental health concerns.
- 4 Co-create an implementation plan with people living with mental health-related disabilities for the Canada Disability Benefit in 2024-25.
- 5 Reduce financial barriers in access to services by dedicating a significant proportion of the new tailored transfers to mental health and substance use health.
- 6 Co-create distinct policy responses to address the mental health impacts of the high cost of living with groups most affected by inequities.
- 7 With careful attention to governance, expand the collection, availability, and use of demographic-based data to monitor the equity impacts of relevant policy reforms.
- 8 Ensure funding and resources are equitably distributed across Canada through models that are flexible, predictable, and inclusive.



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*Financial contribution from*



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