

A STATISTICAL PROFILE OF POVERTY IN CANADA

**Chantal Collin
Hilary Jensen
Social Affairs Division**

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RECENT TRENDS

Despite a significant decline in the number of Canadians¹ living below the low-income threshold² over the past decade, low income remains a significant challenge for many people in this country.³ This document provides a statistical overview of poverty in Canada as it affects unattached individuals and families. Particular emphasis is given to the prevalence of low income among specific population groups, including children, older people, Aboriginal people, people with disabilities, and others.⁴

- In 2007, 9.2% of Canadians – some 2.95 million people – were living on a low income. This represents a decline from the 10.5% prevalence of low income in 2006 and is significantly less than the high of 15.2% in 1996. The year 2007 saw the lowest rate of low income observed since Statistics Canada began to collect these data in 1976.⁵

¹ For the purposes of this paper, “Canadians” refers to people living in Canada, regardless of citizenship.

² Statistics Canada uses an indicator called Low Income Cut-offs (LICOs) to measure low income. The LICO is an income threshold below which a family spends at least 20 percentage points more of its income on food, shelter and clothing than the average family. LICOs are calculated according to family size and population density and are reported on a before- and after-tax basis. After-tax LICOs are used in this document unless otherwise noted.

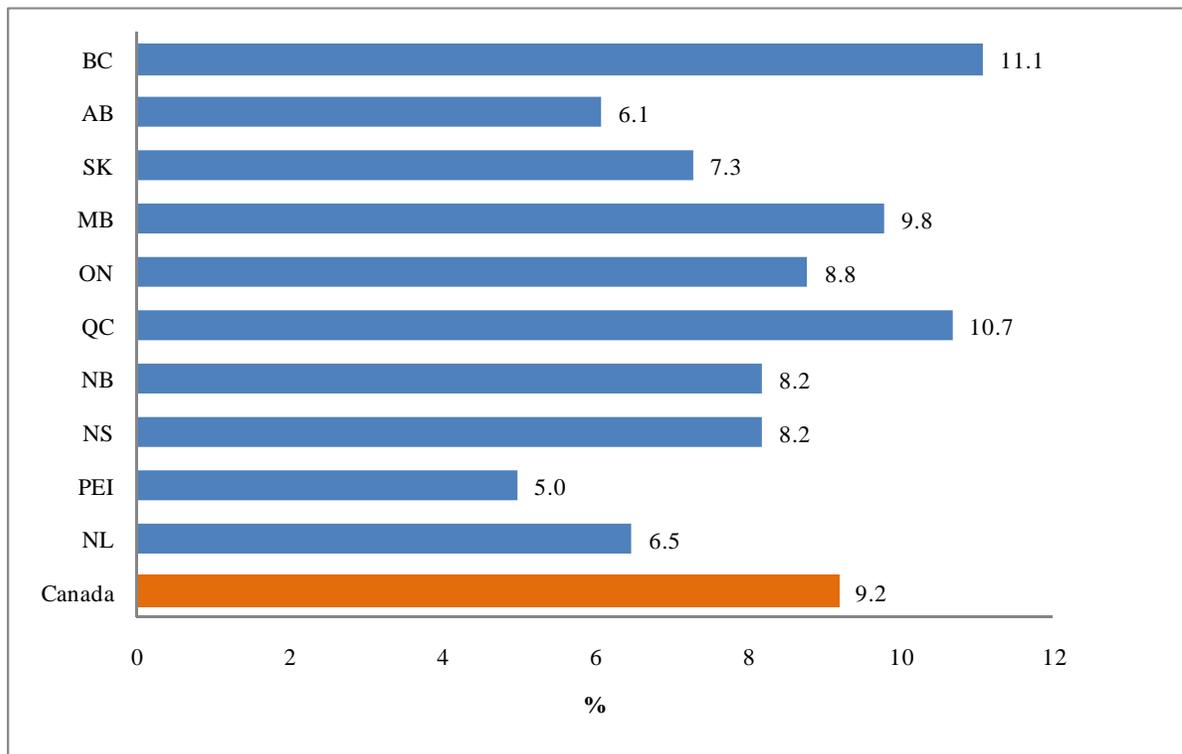
³ Many of the data cited in this document draw from Statistics Canada’s report on *Income in Canada 2007*. In this report, “data prior to 1993 are drawn from the Survey of Consumer Finances [SCF]. Beginning with 1998, the data are taken from the Survey of Labour and Income Dynamics (SLID).” The SLID is “a household survey that covers all individuals in Canada, excluding residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves or in military barracks. Overall, these exclusions amount to less than three percent of the population.” Statistics Canada, *Income in Canada 2007*, Cat. no. 75-202-X, June 2009, pp. 8, 130, <http://www.statcan.gc.ca/pub/75-202-x/75-202-x2007000-eng.pdf>.

⁴ Information on various aspects of poverty in Canada is also available in three related Library of Parliament publications: Havi Echenberg, *The Poverty Prism: Multiple Views of Poverty* (PRB 09-13E), *The Poverty Prism: Causes of Poverty* (PRB 09-14E) and *The Poverty Prism: What Has Helped?* (PRB 09-15E), Parliamentary Information and Research Service, Library of Parliament, Ottawa, 28 October 2009.

⁵ Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database, http://cansim2.statcan.ca/cgi-win/cnsmcgi.pgm?Lang=E&ArrayId=2020802&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

- The prevalence of low income in 2007 was highest in British Columbia (11.1%), followed by Quebec (10.7%) and Manitoba (9.8%). Prince Edward Island had the lowest rate of low income, at 5.0%. Newfoundland and Labrador saw a significant decline in the prevalence of low income between 2003 (12.2%) and 2007 (6.5%). Alberta witnessed a similar decline, from 10.7% in 2003 to 6.1% in 2007. Every province experienced a decrease in the overall prevalence of low income between 2006 and 2007.⁶ Provincial and national low-income rates for 2007 are shown in Chart 1.

Chart 1 – Percentage of Canadians Living on a Low Income, 2007



Source: Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database.

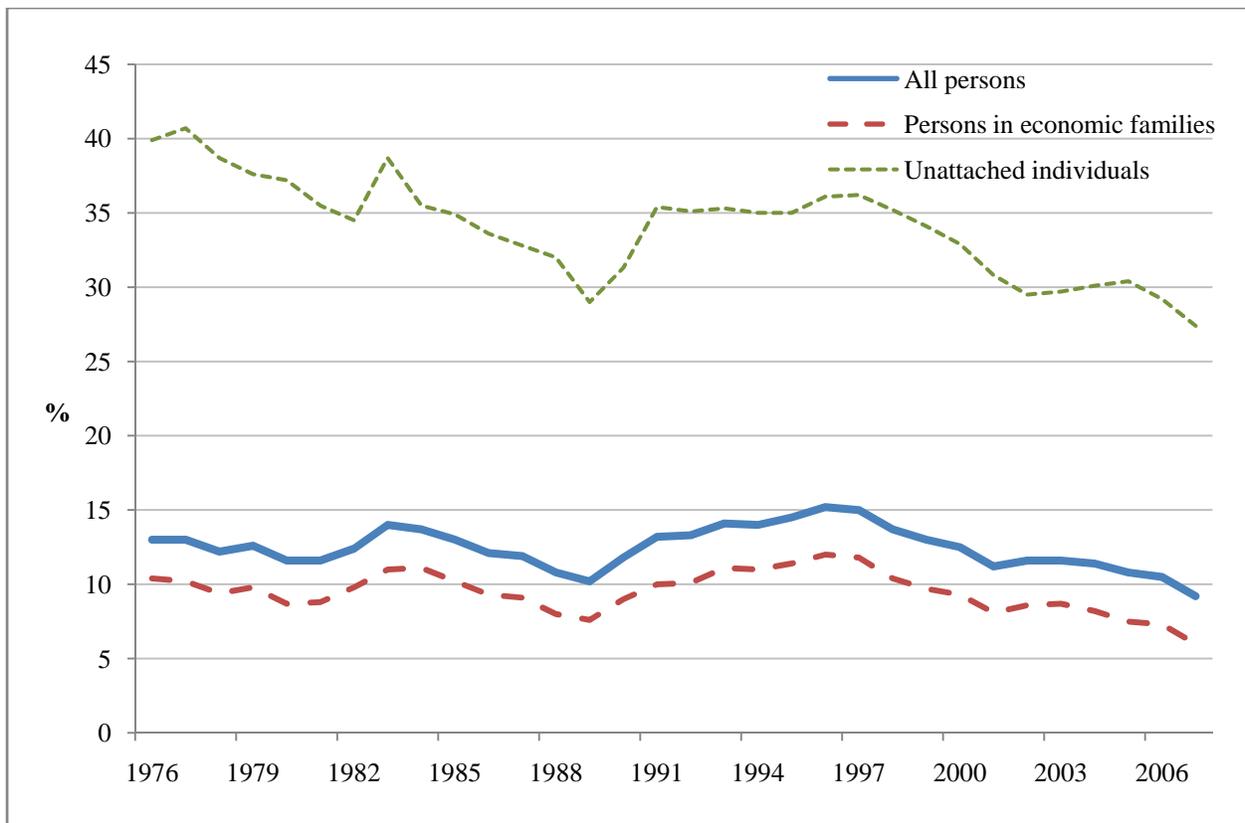
- Low-income rates have generally fallen over the last 10 years, largely because fewer people have entered into low-income circumstances while more people have managed to get out. For example, between 2006 and 2007, 2.2% of Canadians entered, while 3.5% exited, a low-income situation.⁷

⁶ Ibid. Note that a decrease in the overall prevalence of low income in each province does not preclude an increase in low-income rates among specific population groups.

⁷ Statistics Canada, *Table 202-0806 – Transitions of persons into and out of low income before and after tax, by selected characteristics, annual*, CANSIM database, http://cansim2.statcan.ca/cgi-win/CNSMCGI.PGM?&Lang=E&ArrayId=202-0806&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

- An estimated 525,000 economic families⁸ (5.8%) were living on a low income in 2007. This is the lowest low-income rate measured among Canadian families by Statistics Canada since it began collecting these data in 1976 and represents a drop of 1.2 percentage points from 2006 (7.0%).⁹
- In 2007, 27.4% of unattached individuals experienced low income; this is more than four times the prevalence among individuals in economic families (6.0%).¹⁰ (See Chart 2.)

Chart 2 – Percentage of Canadians Living on a Low Income, by Family Type, 1976–2007



Source: Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database.

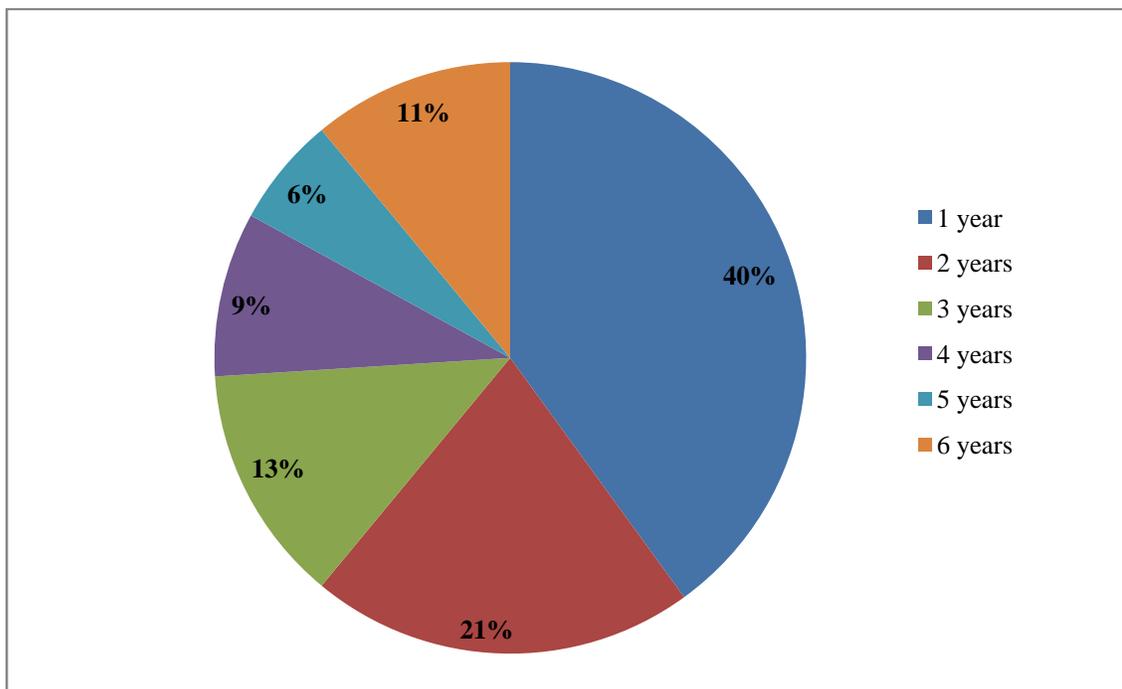
⁸ An economic family is “a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law or adoption.” Same-sex couples and foster children are included. Statistics Canada, “Family structure of economic family,” rev. 28 July 2008, <http://www.statcan.gc.ca/concepts/definitions/effamstr-strfamfe-eng.htm>.

⁹ Statistics Canada, *Table 202-0804 – Families in low income, by economic family type, 2007 constant dollars, annual*, CANSIM database, <http://cansim2.statcan.ca/cgi-win/cnsmcgi.pgm?Lang=E&ArrayId=2020804&Array Pick=1&Detail=1&ResultTemplate=CII/CII &RootDir=CII/>.

¹⁰ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

- In 2007, low-income families faced an average low-income gap¹¹ of \$7,200. This is slightly higher than the gap of \$7,100 in 2006. Unattached individuals living on low incomes in 2007 faced a low-income gap of \$6,500, which was slightly lower than the \$6,600 gap the previous year.¹²
- Of the approximately one in five Canadians who experienced low income in the six-year period from 2002 to 2007, most lived in this situation for one or two years (40% and 21%, respectively). However, 11% lived on a low income for the entire six-year period.¹³ (See Chart 3.)

Chart 3 – Percentage of Canadians Who Experienced Low Income for at Least One Year from 2002 to 2007



Source: Statistics Canada, *Income in Canada 2007*, Cat. no. 75-202-X, June 2009, Chart 7, p. 17. Note that years of low income are not necessarily consecutive.

¹¹ The low-income gap represents the extent to which an individual's or family's income falls short of the relevant low-income threshold; this is also known as the "depth" of low income or of poverty. It can be reported as a dollar amount or a percentage. For example, a family with an income of \$15,000 and a LICO threshold of \$20,000 would have a low-income gap of \$5,000, or 25%.

¹² Statistics Canada, *Table 202-0805 – Low income gap, by economic family type, 2007 constant dollars, annual*.

¹³ Statistics Canada (2009), *Income in Canada 2007*, p. 17. Note that years in low income are not necessarily consecutive.

- There is considerable year-to-year turnover in Canada's low-income population. Of the individuals who had a low income in 2006, 40% were no longer in this situation the following year. Similarly, 30% of individuals living on a low income in 2007 had not been in this situation the previous year.¹⁴
- Educational attainment and low income are inversely related. Over the six-year period from 2002 to 2007, 23.4% of Canadians who had not completed high school lived on a low income for at least one year, as compared with 17.9% of those who had graduated from high school and 11.3% of those with a university degree.¹⁵ However, international comparisons show that, relative to other OECD countries, Canada has the highest percentage of college- and university-educated workers whose earnings are at or below one-half of the national median employment income.¹⁶
- In addition to low-income data, other indicators can contribute to our understanding of poverty in Canada. For example, in March 2008 over 704,000 Canadians – 2.1% of the population – used food banks or food programs. Of this group, 37.1% were children.¹⁷ We also know that, in 2006, nearly 1.5 million households, or 12.7% of all households in Canada, lived in substandard accommodation and experienced core housing need.¹⁸

¹⁴ Ibid., p. 16.

¹⁵ Statistics Canada, *Table 202-0807 – Persistence of low income, by selected characteristics, every 3 years*, CANSIM database, http://cansim2.statcan.ca/cgi-win/cnsmcgi.pgm?regtk=&C2Sub=&ARRAYID=2020807&C2DB=&VEC=&LANG=E&SrchVer=&ChunkSize=&SDDSLOC=&ROOTDIR=CII/&RESULTTEMPLATE=CII/CII_PICK&ARRAY_PICK=1&SDDSID=&SDDSDESC=.

¹⁶ Organisation for Economic Co-operation and Development, *Education at a Glance 2008: OECD Indicators*, 2008, Table A9.4a, pp. 179–81, <http://www.oecd.org/dataoecd/23/46/41284038.pdf>.

¹⁷ Food Banks Canada, *Hunger Count 2008*, Toronto, 2008, pp. 4, 6, http://www.cafb-acba.ca/documents/HungerCount_en_fin.pdf.

¹⁸ Canada Mortgage and Housing Corporation, *Housing in Canada Online*, database, 2006, http://data.beyond2020.com/cmhc/HiCOMain_EN.html. This percentage was calculated by the authors. “Households which occupy housing that falls below any of the dwelling adequacy, suitability or affordability standards, and which would have to spend 30 per cent or more of their before-tax income to pay for the median rent of alternative local market housing that meets all three standards, are said to be in core housing need.” Canada Mortgage and Housing Corporation, *Canadian Housing Observer 2008*, Ottawa, 2008, p. 69, <http://www.cmhc-schl.gc.ca/odpub/pdf/66137.pdf>.

PROSPERITY GAP

- Income inequality has increased in Canada since 1980. The Gini coefficient¹⁹ of market income rose from 0.437 in 1980 to 0.507 in 2007, while the Gini coefficient of after-tax income rose from 0.353 to 0.393 over the same period.²⁰
- In 2007, the average after-tax income of families in the highest income quintile²¹ was 5.4 times that of families in the lowest income quintile, a ratio that was virtually unchanged since 2000.²² That same year, those in the lowest income quintile earned 4.2% of the total income in Canada, while those in the highest quintile earned 47.1%.²³
- Although growth in after-tax income was observed in all income quintiles between 1989 and 2007, the magnitude of this growth varied, rising by 7.6% in the lowest quintile and 30% in the highest quintile.²⁴
- In 2007, food, shelter and clothing accounted for 52% of total spending by households in the lowest income quintile. Spending on these necessities accounted for only 28% of total spending by households in the highest income quintile.²⁵

¹⁹ The Gini coefficient – a number between 0 and 1 – is a measure of dispersion between two variables and is often used to measure the relative degree of inequality in the distribution of income. A coefficient of 0 represents perfect income equality, whereby everyone receives the same income, and a coefficient of 1 represents perfect inequality, whereby one person receives all the income and the others receive nothing. A Gini coefficient can be calculated for market income, total income and after-tax income.

²⁰ Statistics Canada, *Table 202-0705 – Gini coefficients of market, total and after-tax income, by economic family type, annual (number)*, CANSIM database, http://cansim2.statcan.ca/cgi-win/CNSMCGI.PGM?&Lang=E&ArrayId=202-0705&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

²¹ Income quintiles are obtained by dividing the Canadian population into five equal-sized groups, from the lowest after-tax income to the highest after-tax income. Each quintile therefore represents 20% of the population. It is important to note that we cannot make a direct link between those living on a low income (about 9.2% of the population) and those in the lowest income quintile.

²² Statistics Canada (2009), *Income in Canada 2007*, p. 14. This analysis is based on adult-equivalent adjusted family income, for unattached individuals and persons in families combined.

²³ Statistics Canada, *Table 202-0405 – Upper income limits and income shares of total income quintiles, by economic family type, 2007 constant dollars, annual*, CANSIM database, http://cansim2.statcan.ca/cgi-win/CNSMCGI.PGM?&Lang=E&ArrayId=202-0405&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

²⁴ Statistics Canada (2009), *Income in Canada 2007*, p. 14.

²⁵ Statistics Canada, *Spending Patterns in Canada 2007*, Cat. no. 62-202-X, December 2008, p. 9, <http://www.statcan.gc.ca/pub/62-202-x/62-202-x2006000-eng.pdf>.

GROUPS AT RISK

Several groups of people are, for a variety of reasons, more susceptible than others to low income. These groups include:

- children
- lone-parent families (particularly those headed by females)
- women
- unattached individuals
- seniors
- Aboriginal people
- persons with disabilities
- recent immigrants and visible minorities
- the working poor

A. Children

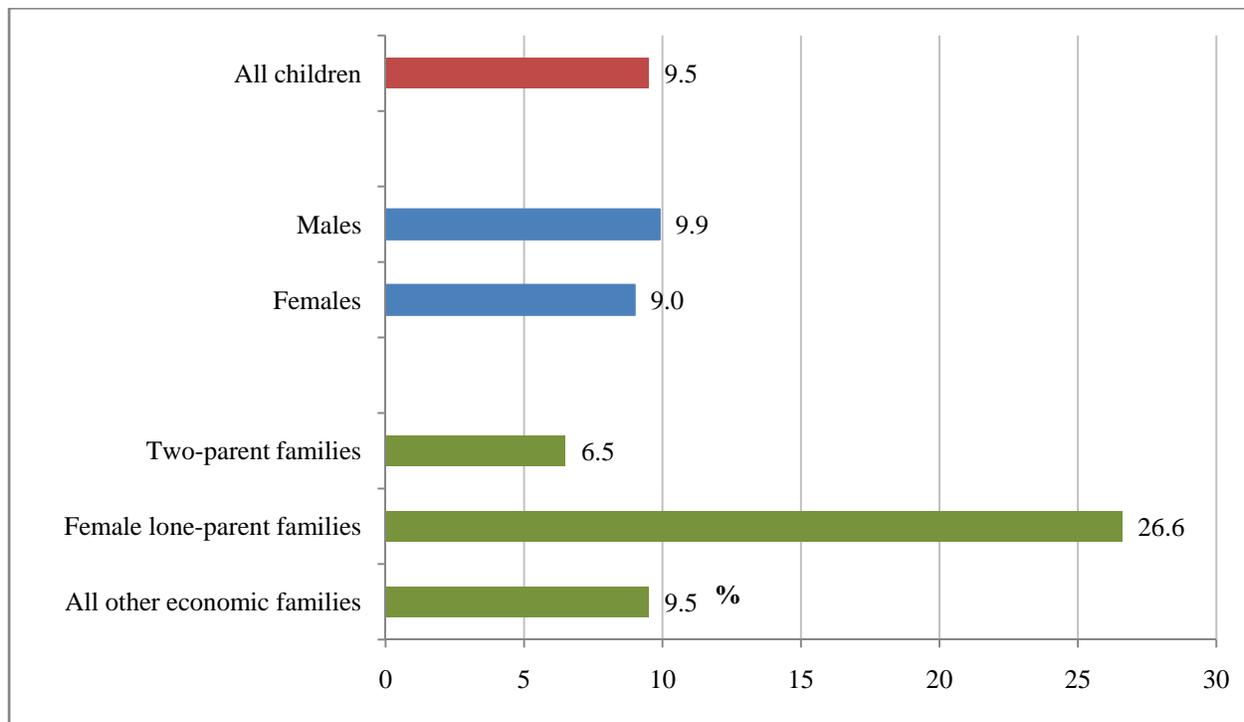
- In 2007, approximately 637,000 children under the age of 18 – 9.5% of all children in Canada – were members of low-income households. This represents a decrease of more than 100,000 children since 2006, when 11.4% were in a low-income situation. In 2007, for the first time since Statistics Canada began to collect this information in 1976, low-income rates among children were lower than among adults of working age (18–64 years).²⁶
- Rates of child poverty vary across the country. In 2007, British Columbia and Manitoba had the highest rates of child poverty, at 13.0% and 11.1%, respectively. Prince Edward Island had the lowest rate, at 4.7%, followed by Alberta, at 6.3%. In Quebec, the rate of child poverty declined dramatically, from 20.6% in 1997 to 9.5% in 2007, a difference of 11.1 percentage points. Over the same period, Newfoundland and Labrador saw a similar decline in the prevalence of child poverty, from 17.8% to 6.5%.²⁷

²⁶ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

²⁷ Ibid. Note that some of these figures should be used with caution.

- In 2007, the prevalence of low income among children (9.5%) was almost 2.5 percentage points lower than in 1989 (11.9%), the year in which members of the House of Commons unanimously resolved to strive to eliminate poverty among Canadian children by the year 2000. This prevalence was significantly lower than the peak of 18.4% in 1996, when approximately 1.3 million Canadian children lived on low incomes.²⁸
- Children’s low-income rates vary significantly according to the type of family in which they live. In 2007, 6.5% of children in two-parent families experienced low income, while more than one in four children (26.6%) in lone-parent families headed by females faced this reality. (See Chart 4.) These rates were lower than those recorded for 2006, when one in three children in female lone-parent families (32.3%) lived on low incomes, and were considerably lower than the peak of 56% in 1996.²⁹
- Between 2006 and 2007, the rate of low income among both male and female children declined from 11.4% in both groups to 9.9% and 9.0%, respectively.³⁰ (See Chart 4.)

Chart 4 – Percentage of Canadian Children in Low-Income Households, by Sex and Family Type, 2007



Source: Statistics Canada, *Income in Canada 2007*, Cat. no. 75-202-X, June 2009, Table 11-1, p. 87. Note that some of these numbers should be used with caution.

²⁸ Ibid.

²⁹ Ibid. For more information on lone-parent families, see the next section.

³⁰ Ibid.

- Rates of child poverty are much higher among certain population groups. (See Table 1.)

Table 1 – Prevalence of Low Income Among Children in Canada, by Social Group

Group	%
All children (2007) ³¹	9.5
Children (< 15 years) in recent immigrant families (2005) ³²	39.3
First Nations children (< 15 years) (2005) ³³	33.7
Children in racialized families (2001) ³⁴	34.0
Children with disabilities (2001) ³⁵	28.0

- In a 2007 UNICEF study on child poverty, Canada held an average rank of 11.8 out of 21 OECD nations with respect to six dimensions of child well-being. It ranked 6th out of 21 nations on the dimension of children’s overall material well-being. On the specific measure of children’s relative income poverty, Canada ranked 15th out of 24 nations.³⁶

B. Lone-Parent Families

- In 2006, lone-parent families accounted for 16% of families in Canada, and 18% of children under age 15 lived with a lone parent. Between 2001 and 2006, the number of lone-parent families in Canada increased by 8%, and the numbers of male- and female-headed lone-

³¹ Ibid.

³² Statistics Canada, *Immigrant Status and Place of Birth (38), Immigrant Status and Period of Immigration (8A), Age Groups (8), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (277), for the Total Population of Canada, Provinces, Territories, Census Metropolitan Areas and Census Agglomerations, 2006 Census – 20% Sample Data*, Cat. no. 97-564-XCB2006008, 17 December 2008, <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/sip/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=97613&PRID=0&PTYPE=97154&S=0&SHOWALL=0&SUB=0&Temporal=2006&THEME=72&VID=0&VNAMEE=&VNAMEF=>. This figure represents the low-income rate for children who belonged to economic families that immigrated to Canada in the five years preceding the 2006 Census (2001–2006).

³³ Statistics Canada, *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233), for the Total Population of Canada, Provinces and Territories, 2006 Census – 20% Sample Data*, Cat. no. 97-564-X2006002, 6 December 2008, <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/tbt/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=97446&PRID=0&PTYPE=88971.97154&S=0&SHOWALL=0&SUB=0&Temporal=2006&THEME=73&VID=0&VNAMEE=&VNAMEF=>.

³⁴ Statistics Canada Census data, reported by Campaign 2000 in *It Takes a Nation to Raise a Nation: Time for a National Poverty Reduction Strategy (2007 Report Card on Child and Family Poverty in Canada)*, 2007, p. 2, <http://www.campaign2000.ca/reportCards/national/2007EngNationalReportCard.pdf>.

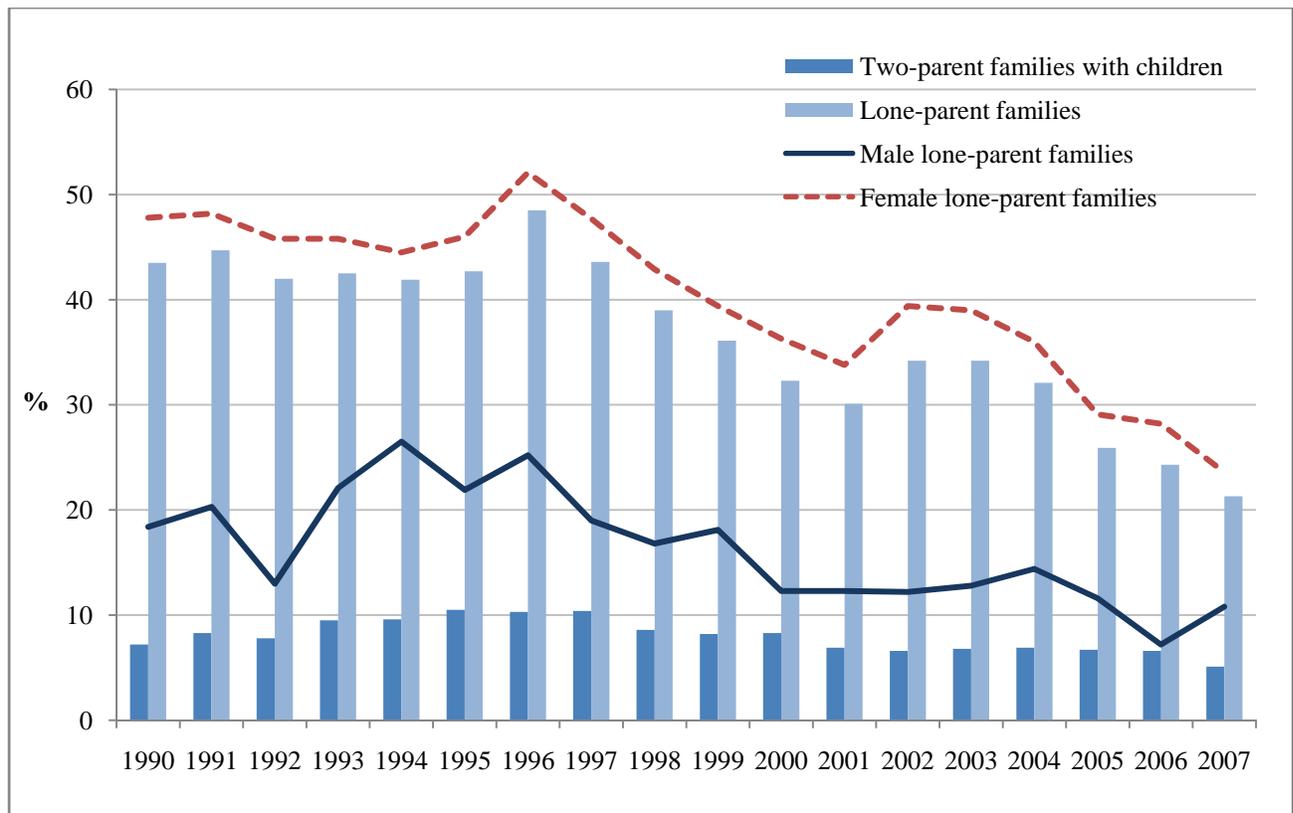
³⁵ Ibid.

³⁶ UNICEF, *Child Poverty in Perspective: An Overview of Child Well-being in Rich Countries*, UNICEF Innocenti Research Centre, Report Card 7, 2007, pp. 2–6, http://www.unicef-irc.org/publications/pdf/rc7_eng.pdf. Relative income poverty is defined as “living in a household where the equivalent income is less than 50% of the national median” (p. 6).

parent families increased by 15% and 6%, respectively. Female-headed lone-parent families numbered 1.1 million and accounted for 80% of lone-parent families in Canada.³⁷

- Lone-parent families consistently experience higher rates of low income than other family types. In 2007, the rate of low income among lone-parent families was 21.3%, over four times higher than the rate among two-parent families (5.1%).³⁸ (See Chart 5.)

Chart 5 – Percentage of Canadian Families Living on a Low Income, by Family Type, 1990–2007



Source: Statistics Canada, *Table 202-0804 – Families in low income, by economic family type, 2006 constant dollars, annual*, CANSIM database.

- The prevalence of low income among lone-parent families has declined significantly in recent years, from 34.2% in 2002 to 21.3% in 2007. This decline was driven largely by the change in the low-income rates of lone-parent families headed by females, which fell from 39.4% to 23.6% over this period.³⁹ (See Chart 5.)

³⁷ Statistics Canada, “Census Snapshot of Canada – Families,” *Canadian Social Trends*, No. 84, Winter 2007, p. 39, <http://www.statcan.gc.ca/pub/11-008-x/11-008-x2007007-eng.pdf>.

³⁸ Statistics Canada, *Table 202-0804 – Families in low income, by economic family type, 2007 constant dollars, annual*.

³⁹ Ibid.

- Female-headed lone-parent families are more likely to have a low income than those headed by male lone parents. In 2007, 23.6% of female lone-parent families had a low income, down from 28.2% in 2006. In contrast, 10.8% of male lone-parent families had a low income rate of 10.8%, up from 7.2% the previous year.⁴⁰ (See Chart 5.) In 2007, 246,000 children living in low-income households, or 40% of all children in this situation, lived in female lone-parent families.⁴¹
- Earnings instability is lowest among two-parent families and highest among lone mothers, particularly young lone mothers. Lone-parent families may be more affected than two-parent families by factors such as inflexible work hours, long commutes and limited access to child care, which may reduce employment prospects and increase earnings instability. Social assistance appears to be the single most important factor in reducing the income instability of lone mothers.⁴²
- The number of earners in lone-parent families is also a significant determinant of their low-income status. In 2007, female-headed lone-parent families with no earners had a low-income rate of 75.1%, while those with one earner had a low-income rate of 16.7%.⁴³

C. Women

- In 2007, 9.4% of females in Canada – over 1.5 million people – were living on a low income. This prevalence represents a decline from a high of 16.2% in 1996, when over 2.3 million Canadian women and girls faced this situation.⁴⁴
- Women have higher low-income rates than men, but this disparity has lessened over time. A difference of 0.4 percentage points separated the male and female low-income rates in 2007 (9.0% and 9.4%, respectively). In 1990 this difference was 2.8 points, and in 2000 it was 2.2 points.⁴⁵ (See Chart 6.)

⁴⁰ Ibid.

⁴¹ Statistics Canada (2009), *Income in Canada 2007*, p. 14.

⁴² René Morissette and Yuri Ostrovsky, *Income Instability of Lone Parents, Singles and Two-Parent Families in Canada, 1984 to 2004*, Analytical Studies Branch Research Paper Series, Statistics Canada, March 2007, pp. 7, 11–12, 16, <http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2007297.pdf>.

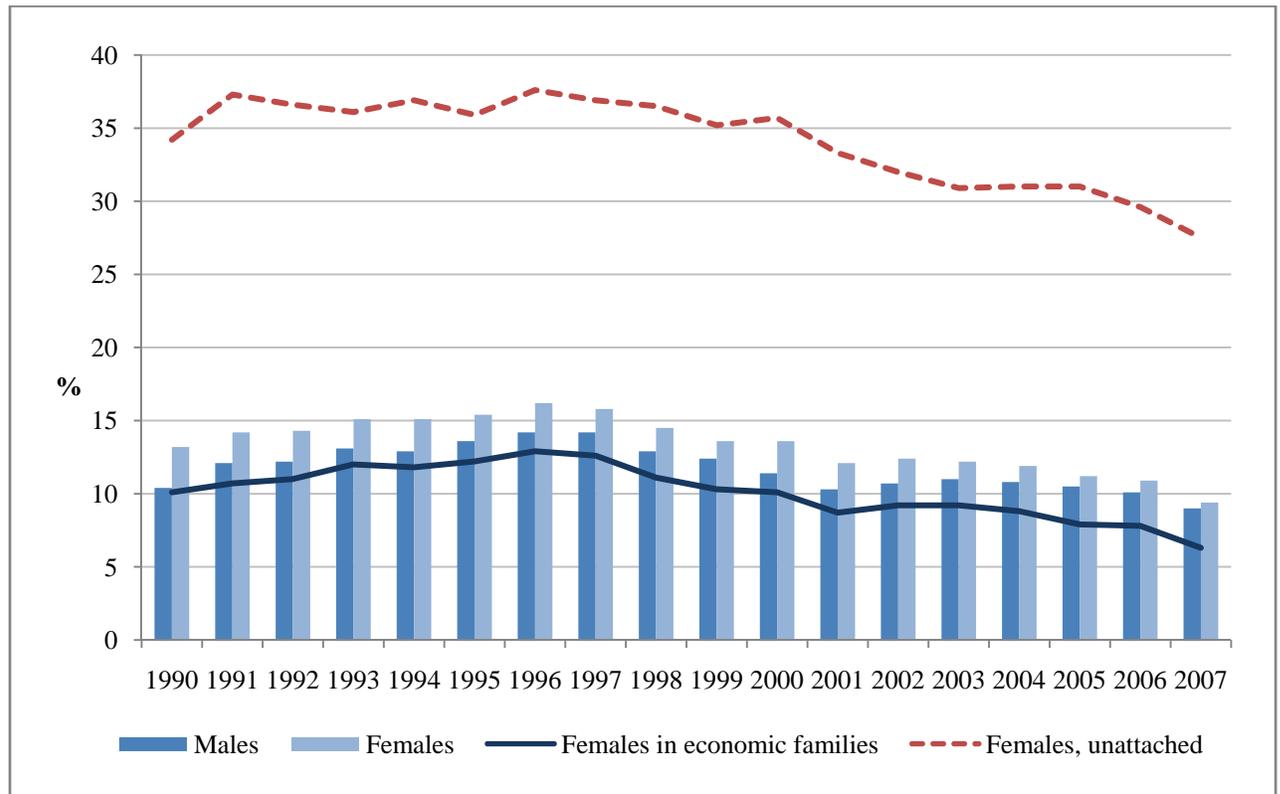
⁴³ Statistics Canada, *Table 202-0804 – Families in low income, by economic family type, 2007 constant dollars, annual*.

⁴⁴ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

⁴⁵ Ibid.

- In 2007, the prevalence of low income among unattached females was 27.5%, whereas it was 6.5% among females in economic families – a difference of 21 percentage points.⁴⁶ (See Chart 6.)

Chart 6 – Percentage of Canadian Males and Females Living on a Low Income, 1990–2007



Source: Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database.

- In 2007, females 18 to 64 years of age experienced a higher rate of poverty (10.2%) than females under 18 years of age (9.0%) and 65 years of age and over (6.0%).⁴⁷
- Women earn, on average, less money than men. In 2007, women’s average annual earnings (\$29,200) were only 65.7% of their male counterparts’ earnings (\$44,400).⁴⁸ Income was also lower among women in that year: females and males had average total incomes of \$34,600

⁴⁶ Ibid.

⁴⁷ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

⁴⁸ Statistics Canada, *Table 202-0102 – Average female and male earnings, and female-to-male earnings ratio, by work activity, 2007 constant dollars, annual*, CANSIM database, http://cansim2.statcan.ca/cgi-win/CNSMCGI.PGM?&Lang=E&ArrayId=202-0102&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

and \$49,800 and median total incomes of \$28,400 and \$38,800, respectively.⁴⁹ Women with children are also likely to earn less money than women without children.⁵⁰

- Women are more likely than men to experience persistent poverty. Over the six-year period from 2002 to 2007, 5.6% of females experienced poverty for four to six years, as compared with 4.6% of males.⁵¹

D. Unattached Individuals

- In 2007, 27.4% of unattached individuals – about 1.3 million people – lived on a low income. This situation was even more prevalent among unattached individuals of working age (18 to 64 years): 32.0% had a low income that year, down from a high of 41.6% in 1997.⁵²
- The prevalence of low income among unattached individuals of working age varies from one age group to another. Unattached individuals between 45 and 64 years of age have been identified as particularly vulnerable to poverty,⁵³ although in 2005 low income was most prevalent among adults of working age (aged 18–24 years).⁵⁴ (See Table 2.)

Table 2 – Prevalence of Low Income Among Unattached Individuals, by Age, 2005⁵⁵

Age	Low-Income Rate,%
18–24	58.1
25–34	21.8
35–44	26.9
45–54	31.6
55–64	39.9

⁴⁹ Statistics Canada, *Table 202-0101 – Distribution of earnings, by sex, 2007 constant dollars, annual*, CANSIM database, http://cansim2.statcan.ca/cgi-win/CNSMCGI.PGM?&Lang=E&ArrayId=202-0101&Array_Pick=1&Detail=1&ResultTemplate=CII/CII_&RootDir=CII/.

⁵⁰ Xuelin Zhang, “Earnings of Women With and Without Children,” Statistics Canada, *Perspectives on Labour and Income*, Vol. 10, No. 3, Cat. no. 75-001-x, March 2009, p. 9, <http://www.statcan.gc.ca/pub/75-001-x/75-001-x2009103-eng.pdf>.

⁵¹ Statistics Canada, *Table 202-0807 – Persistence of low income, by selected characteristics, every 3 years*. Note that years in low income are not necessarily consecutive. Percentages were calculated by the authors.

⁵² Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

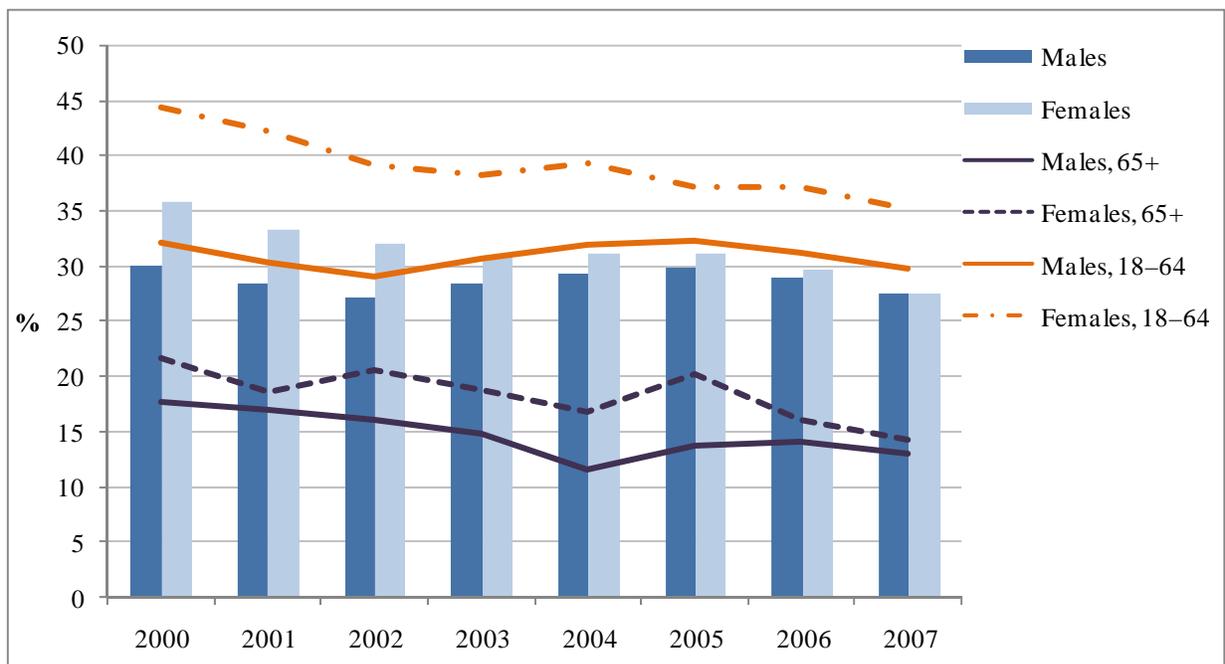
⁵³ Human Resources and Skills Development Canada, *Low Income in Canada: 2000–2007 Using the Market Basket Measure*, Final Report, August 2009, p. 25, http://www.hrsdc.gc.ca/eng/publications_resources/research/categories/inclusion/2009/sp-909-07-09/sp_909_07_09e.pdf.

⁵⁴ Yan Feng, Sangita Dubey and Bradley Brooks, *Persistence of Low Income among Non-elderly Unattached Individuals*, Income Research Paper Series, Statistics Canada, Cat. no. 75F0002MIE – No. 005, June 2007, p. 12, <http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2007005.pdf>.

⁵⁵ Ibid.

- Unattached individuals are more likely than those in economic families to have a low income. In 2007, the low-income rate among unattached individuals (27.4%) was over 4 times higher than that among individuals in economic families (6.0%).⁵⁶ The average low-income gap faced by unattached individuals was \$6,500 below the low-income threshold, as compared with \$7,200 for economic families.⁵⁷
- In recent years, low-income rates among unattached males and females have converged. In 2000, 30.0% of unattached men and 35.7% of unattached women lived on a low income, a difference of more than 5 percentage points. By 2007, 27.4% of unattached males had a low income, as compared with 27.5% of unattached females. This was driven largely by the narrowing of the gap between the low-income rates of unattached men and women aged 65 years and older. Among unattached adults of working age (18 to 64 years), a gender gap in low income persists.⁵⁸ (See Chart 7.)

Chart 7 – Percentage of Unattached Canadians with Low Income, by Sex and Age, 2000–2007



Source: Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database.

⁵⁶ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

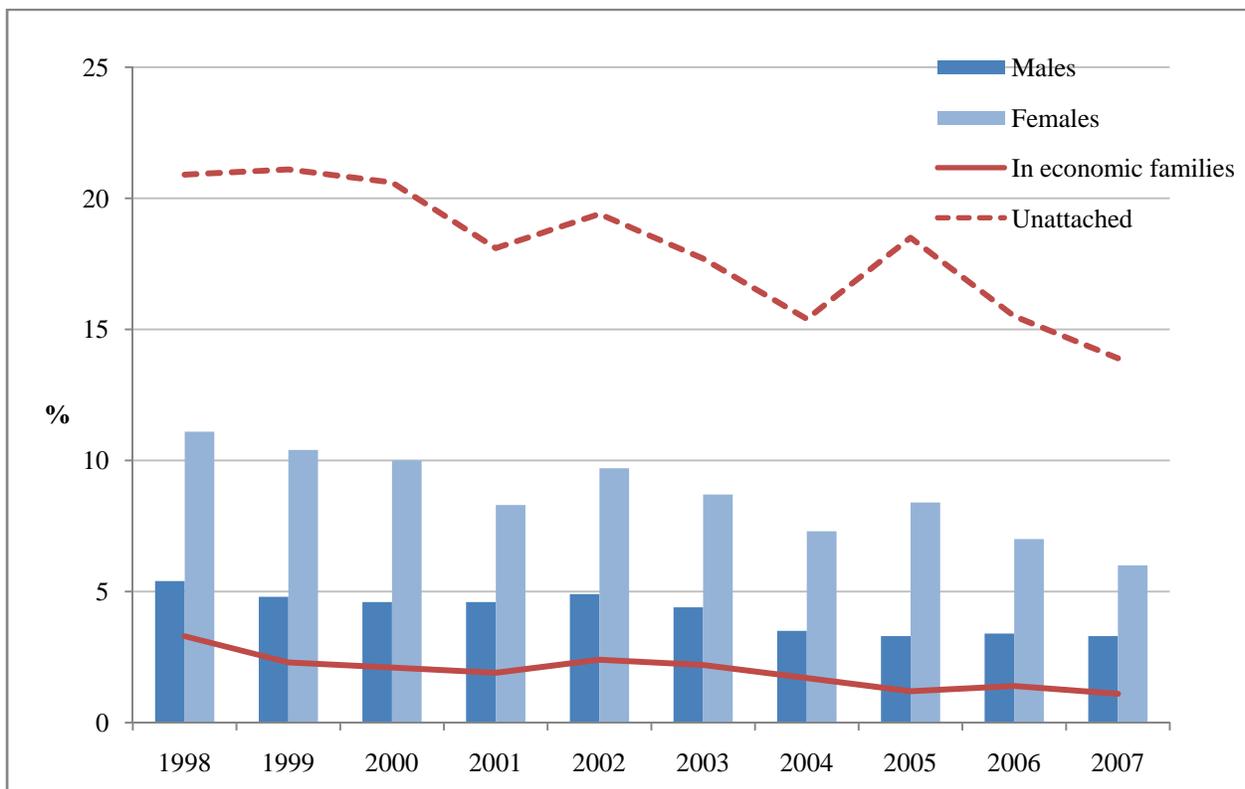
⁵⁷ Statistics Canada, *Table 202-0805 – Low income gap, by economic family type, 2007 constant dollars, annual*.

⁵⁸ Statistics Canada, *Table 202-0802 – Persons in low income, annual*.

E. Seniors

- The prevalence of low income among seniors (aged 65 and older) has dropped significantly over the past 30 years, from 30.4% in 1977 to a low of 4.8% in 2007. That year, 201,000 seniors had a low income.⁵⁹
- Since 1990, low income has become less prevalent among seniors than among other age groups. In 2007, the low-income rate of those 65 years of age and older (4.8%) was about half as high as the low-income rates of children under age 18 (9.5%) and people aged 18 to 64 years (9.9%).⁶⁰
- A gender gap in low-income rates is evident among the senior population. Although there is a difference of 0.4 percentage points between the low-income rates of males and females in the population at large, this difference is 2.7 percentage points among individuals 65 years and over. Senior men have a low-income rate of 3.3%, while senior women have a low-income rate of 6.0%.⁶¹ (See Chart 8.)

Chart 8 – Percentage of Canadians Aged 65 and Older Living on a Low Income, By Sex and Family Status, 1998–2007



Source: Statistics Canada, *Table 202-0802 – Persons in low income, annual*, CANSIM database.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

- The difference in low-income rates between seniors who live in economic families and those who are unattached is significant. In 2007, only 1.1% of seniors in economic families lived on a low income, as compared with 13.9% of unattached individuals in the same age range. (See Chart 8.) Unattached elderly women were the most at risk of low income, with a rate of 14.3%, as compared with 13.0% among their male counterparts.⁶²
- Elderly families with a low income have an average low-income gap of \$6,900. Among unattached seniors living on a low income, men have an average low-income gap of \$2,300, while women face a low-income gap of \$2,400.⁶³
- Individuals 65 years and older are less likely to experience persistent poverty than Canadians in other age groups (those under 18 years and those aged 18–64 years). Over the six years from 1999 to 2004, seniors were the least likely group to live on a low income for four years or more.⁶⁴

F. Aboriginal People⁶⁵

- The overall prevalence of low income is significantly greater among Aboriginal people than among the non-Aboriginal population. Of those with Aboriginal identity⁶⁶ living in private households, 18.7% who live in economic families and 42.8% who are unattached individuals experienced low income in 2005. By contrast, among non-Aboriginal people, low-income

⁶² Ibid.

⁶³ Statistics Canada (2009), *Income in Canada 2007*, Table 13-3, p. 111. Note that some of these data should be used with caution.

⁶⁴ Human Resources and Skills Development Canada, “Indicators of Well-being in Canada: Financial Security – Low Income Persistence,” rev. 28 October 2009, <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=83>. Note that years in low income are not necessarily consecutive.

⁶⁵ Data with regard to the prevalence of low income among Aboriginal people is not readily available, the most recent information having been collected as part of the 2006 Census. During the Census, enumeration on some Indian settlements and reserves was either not permitted, incomplete or considered to be of low quality. Furthermore, Statistics Canada does not survey people living on reserves for the Survey of Labour and Income Dynamics (SLID), nor does it establish a Low Income Cut-off (LICO) for those living on reserves. As a result, it is not possible to present a complete portrait of low income among Aboriginal persons. For more information, see Statistics Canada, “Incompletely enumerated Indian reserves and Indian settlements,” rev. 24 December 2008, <http://www12.statcan.gc.ca/census-recensement/2006/ref/notes/aboriginal-autochtones-eng.cfm>.

⁶⁶ “Aboriginal identity refers to those persons who reported identifying with at least one Aboriginal group, that is, North American Indian, Métis or Inuit, and/or those who reported being a Treaty Indian or a Registered Indian, as defined by the *Indian Act* of Canada, and/or those who reported they were members of an Indian band or First Nation.” Statistics Canada, *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations, 2006 Census*, Cat. no. 97-588-XIE, p. 51.

rates were 8.4% for individuals in economic families and 28.0% for unattached individuals that same year.⁶⁷

- There is a high concentration of Aboriginal people living on a low income in census metropolitan areas (CMAs).⁶⁸ In 2005, this population had a low-income rate of 25.1% for those in economic families and 48.5% among those who were unattached. In comparison, the rate of low income among the non-Aboriginal population living in CMAs was 10.2% for those in economic families and 31.7% among those who were unattached.⁶⁹
- In 2005, the average income of the non-Aboriginal population (\$35,872) was significantly higher than that of the Aboriginal population (\$23,888). The median income of the former (\$25,955) was also significantly higher than that of the latter (\$16,752).⁷⁰ This income difference is particularly evident in northern Canada. (See Table 3.)

Table 3 – Average and Median Incomes in Canadian Territorial Populations, 2005⁷¹

Territory	Aboriginal Identity		Non-Aboriginal Identity	
	Average Income	Median Income	Average Income	Median Income
Yukon Territory	\$27,926	\$20,690	\$41,697	\$34,951
Northwest Territories	\$30,353	\$20,080	\$55,975	\$49,219
Nunavut	\$25,561	\$16,069	\$65,546	\$64,952

- For many Aboriginal families living in northern Canada, the effects of low income are exacerbated by the high cost of living. A “basket” of healthy food in many Inuit communities, for example, costs at least twice as much as a comparable basket in southern Canada.⁷²

⁶⁷ Statistics Canada, *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233), for the Total Population of Canada, Provinces and Territories, 2006 Census – 20% Sample Data*, Cat. no. 97-564-X2006002, 9 December 2008.

⁶⁸ A census metropolitan area (CMA) is an “[a]rea consisting of one or more neighbouring municipalities situated around a major urban core.” The total population of a CMA must be at least 100,000, with 50,000 or more living in the urban core. For more information, see Statistics Canada, “2006 Census Dictionary,” rev. 13 February 2008, <http://www12.statcan.ca/english/census06/reference/dictionary/index.cfm>.

⁶⁹ Statistics Canada (2008), *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233), for the Total Population of Canada, Provinces and Territories, 2006 Census*.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Indian and Northern Affairs Canada, “Revised Northern Food Basket – Highlights of Price Survey Results for 2006, 2007 and 2008,” rev. 13 January 2009, <http://www.ainc-inac.gc.ca/nth/fon/fc/hpsr-eng.asp>.

- Off-reserve Aboriginal households experienced a higher prevalence and depth of food insecurity⁷³ than non-Aboriginal households in 2004. One third of Aboriginal households experienced food insecurity; this proportion included the 14.4% with severe food insecurity. In comparison, the rate of food insecurity among non-Aboriginal households was 8.8%.⁷⁴
- In 2006, Aboriginal people were nearly four times as likely as non-Aboriginal people to live in a crowded dwelling and were three times as likely to live in a home requiring major repairs.⁷⁵ The same year, 81,810 Aboriginal households, or about 20%, lived in core housing need.⁷⁶

1. Aboriginal Children

- In 2005, 27.5% of Aboriginal children under 15 years of age lived in low-income households in Canada: 33.7% of First Nations children, 20.8% of Inuit children and 20.1% of Métis children faced this situation. In comparison, the low-income rate among non-Aboriginal children was 12.9%.⁷⁷ (See Chart 9.)

⁷³ Food security exists when all people, at all times, have physical and economic access to safe and nutritious food that is sufficient to meet their dietary needs and food preferences and is conducive to an active and healthy life. Food insecurity exists when these conditions are not met.

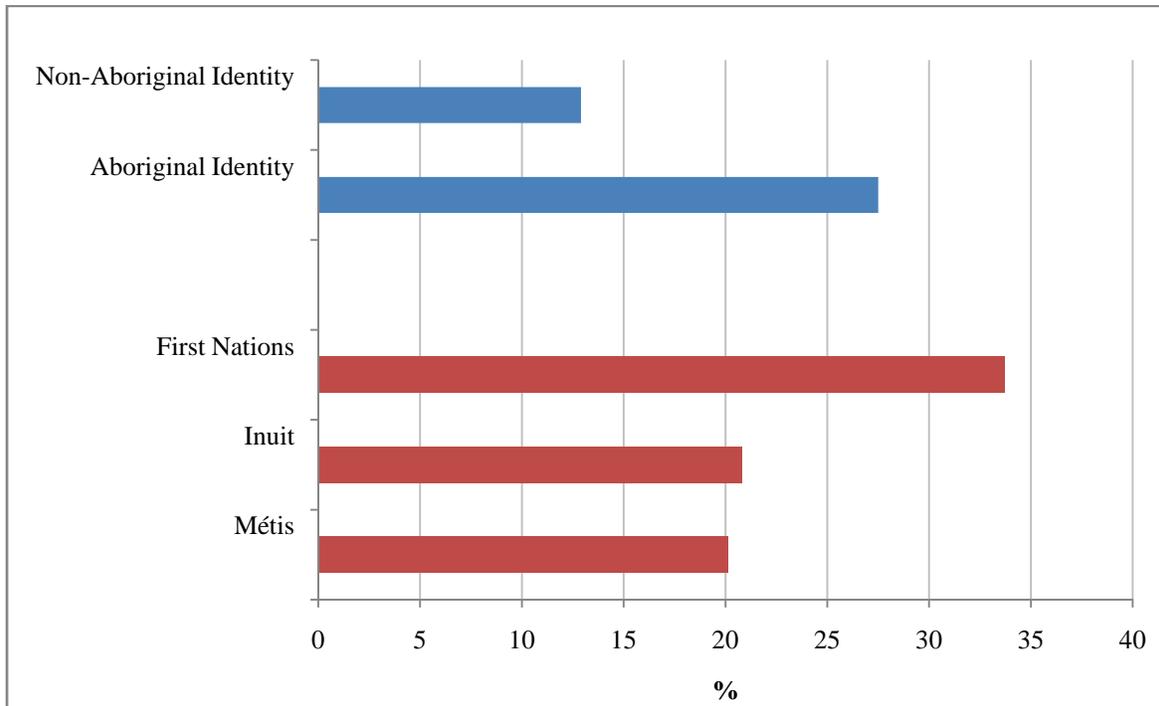
⁷⁴ Office of Nutrition Policy and Promotion, Health Products and Food Branch, Health Canada, *Canadian Community Health Survey, Cycle 2.2, Nutrition (2004) – Income-Related Household Food Security in Canada*, 2007, p. 15, http://www.hc-sc.gc.ca/fn-an/alt_formats/hpfb-dgpsa/pdf/surveill/income_food_sec_alim-eng.pdf.

⁷⁵ Statistics Canada, *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations, 2006 Census*, Cat. no. 97-558-XIE, January 2008, p. 17, <http://www12.statcan.ca/census-recensement/2006/as-sa/97-558/pdf/97-558-XIE2006001.pdf>. “Crowding” is defined as a circumstance in which there is more than one person per room living in a dwelling (not including bathrooms, halls, vestibules and rooms used solely for business purposes). Dwellings in need of major repairs are those that, according to the respondent, require major repairs to such things as plumbing, electrical wiring, and/or structural features, etc.

⁷⁶ Canada Mortgage and Housing Corporation (2006). Percentage was calculated by the authors.

⁷⁷ Statistics Canada, *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233), for the Total Population of Canada, Provinces and Territories, 2006 Census*.

**Chart 9 – Percentage of Canadians Under Age 15 in Low-Income Families,
by Aboriginal Identity, 2005**



Source: Statistics Canada, *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233)*, for the Total Population of Canada, Provinces and Territories, 2006 Census.

- A large proportion of young Aboriginal children under six years of age live in low-income economic families, particularly in urban areas. In 2006, 49% of young First Nations children living off-reserve were members of low-income families, a proportion that rose to 57% in census metropolitan areas (CMAs). The same year, 32% of young Métis children, of whom 42% were living in CMAs, lived in low-income families. Among young non-Aboriginal children, the average low-income rate was 18%, rising to 21% in CMAs.⁷⁸
- In 2005, the prevalence of low income among Aboriginal youth (aged 16–24 years) was 19.2% for those in economic families and 63.0% for unattached individuals. By contrast, the rate of low income among the non-Aboriginal youth population was 9.8% for those in economic families and 59.1% for unattached individuals.⁷⁹

⁷⁸ Statistics Canada, *Aboriginal Children's Survey, 2006: Family, Community and Child Care*, Cat. no. 89-634-X – No. 001, October 2008, pp. 17, 29, 41, <http://www.statcan.gc.ca/pub/89-634-x/89-634-x2008001-eng.pdf>. These figures are based on the before-tax Low Income Cut-offs (LICO) measure.

⁷⁹ Statistics Canada, *Aboriginal Identity (8), Age Groups (8), Area of Residence (6), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (233)*, for the Total Population of Canada, Provinces and Territories, 2006 Census.

- Compared with their non-Aboriginal peers, Aboriginal children are more likely to live with a lone parent of either sex, a grandparent, or another relative. In 2006, 29% of Aboriginal children under 15 years of age lived with a lone mother.⁸⁰
- The 2006 *Aboriginal Peoples Survey* found that 30% of Inuit children in Canada had experienced being hungry because the family had run out of food or money to buy food. In Nunavut, nearly four in ten (39%) Inuit children aged 6 to 14 had experienced hunger.⁸¹

G. Persons with Disabilities

- In 2006, 4.4 million Canadians, or 14.3% of the population, reported living with a disability.⁸² People with disabilities are more likely than those without disabilities to have a low income. In 2005, working-age Canadians with disabilities had an average income of \$33,600, almost 10% lower than the average income of those without disabilities (\$37,200). People with disabilities are also more likely than people without disabilities to rely on government support. That same year, 59% of people with disabilities relied on a main source of income other than earnings.⁸³
- People with disabilities are more likely to have low earnings and less likely to have high earnings than people without disabilities. In 2004, about 17.1% of people with disabilities had earnings below \$5,000, as compared with 12.4% of people without disabilities. Approximately 18.4% of people with disabilities earned over \$50,000, as compared with 23.4% of those without a disability.⁸⁴

⁸⁰ Statistics Canada (2008), *Aboriginal Peoples in Canada in 2006*, p. 15.

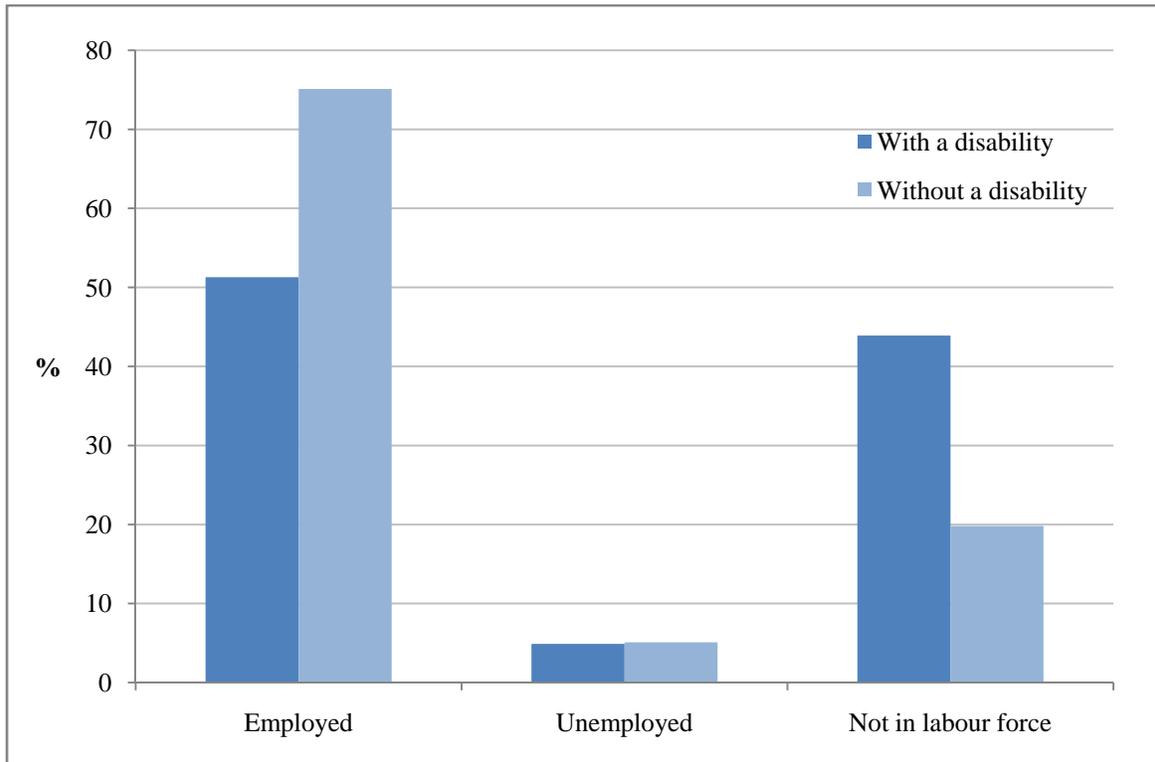
⁸¹ Heather Tait, *Aboriginal Peoples Survey, 2006: Inuit Health and Social Conditions*, Statistics Canada, Cat. no. 89-637-X – No. 001, December 2008, p. 22, http://dsp-psd.pwgsc.gc.ca/collection_2008/statcan/89-637-X/89-637-x2008001-eng.pdf.

⁸² Statistics Canada, *Participation and Activity Limitation Survey 2006: Analytical Report*, Cat. no. 89-628-XIE – No. 002, December 2007, p. 9, <http://www.statcan.gc.ca/pub/89-628-x/89-628-x2007002-eng.pdf>.

⁸³ Human Resources and Social Development Canada, *2007 Federal Disability Report: Advancing the Inclusion of People with Disabilities*, 2007, p. 37, http://www.hrsdc.gc.ca/eng/disability_issues/reports/fdr/2007/fdr_2007.pdf.

⁸⁴ Human Resources and Social Development Canada, *Advancing the Inclusion of People with Disabilities (2006)*, 2006, p. 66, http://www.hrsdc.gc.ca/eng/disability_issues/reports/fdr/2006/advancinginclusion.pdf.

Chart 10 – Participation of Canadians in the Work Force, by Disability Status, 2006



Source: Statistics Canada, *Participation and Activity Limitation Survey 2006: Labour Force Experience of People with Disabilities in Canada*, 2008, pp. 7–8.

- People with disabilities have a weaker attachment to the labour force than people without disabilities. In 2006, 51.3% of people with disabilities of working age (between 15 and 64 years) were employed, 4.9% were unemployed and 43.9% were not in the labour force. By comparison, 19.8% of people without disabilities were out of the labour force. Barriers to labour-force participation by people with disabilities include being prevented by the nature of the disability itself, the requirement of workplace accommodation, and discrimination in the workplace.⁸⁵ (See Chart 10.)
- The disability experience varies by gender. Women report higher disability rates than men,⁸⁶ and women with disabilities have lower incomes and employment rates than their male counterparts.⁸⁷
- Families of children with disabilities are more likely than others to have a low income. In 2005, 19.1% of households with children with disabilities fell below the LICO threshold, as compared with 13.5% of households with children without disabilities. Financial problems

⁸⁵ Statistics Canada, *Participation and Activity Limitation Survey 2006: Labour Force Experience of People with Disabilities in Canada*, Cat. no. 89-628-X – No. 007, 2008, pp. 7–8, 16, <http://www.statcan.gc.ca/pub/89-628-x/89-628-x2008007-eng.pdf>.

⁸⁶ Statistics Canada (2007), *Participation and Activity Limitation Survey 2006: Analytical Report*, p. 10.

⁸⁷ Human Resources and Social Development Canada (2006), p. 56.

increase with the severity of a child's disability. Families of children with severe to very severe disabilities reported financial difficulties at a rate of 30.3%, as compared with 8.6% among families of children with mild to moderate disabilities.⁸⁸

H. Recent Immigrants and Visible Minorities

- Recent immigrants are more vulnerable to low income than other Canadians. The most recent Census found that immigrants who had arrived in the preceding five years and who were in economic families had a low-income rate of 32.6% in 2005, while those who were unattached had a low-income rate of 58.3%. By contrast, the respective rates of low income among their non-immigrant counterparts were 6.9% and 26.3%.⁸⁹
- In 2004, immigrants of working age (18–64 years) who had arrived in Canada since the early 1990s had a low-income rate of 21.5%, as compared with 11.2% among earlier immigrants and 9.3% among native-born Canadians. Of recent immigrants not living on a low income, three out of five were considered vulnerable to this situation.⁹⁰ The same year, the low-income rate among immigrants who had resided in Canada for 10 years or fewer (32.9%) was significantly higher than that among the total population (14.2%), according to the Low Income Measure (LIM).⁹¹
- Rates of low income among recent immigrants tend to decrease with time spent in Canada. In 2004, immigrants who had been in Canada for one year had a low-income rate of 42.2%, as compared with a low-income rate of 30.3% among immigrants who had resided in Canada for 10 years. (See Chart 11.) The difference between the low-income rates of immigrants and non-immigrants also lessens over time. The low-income rate of the 1992 immigrant cohort, for example, fell from 3.0 times the rate of the Canadian-born population during their first year in Canada to 2.2 after 10 years. Although this trend persists, the 2002 and 2004 immigrant cohorts displayed higher relative rates of low income upon entry to Canada than cohorts in the 1990s.⁹²

⁸⁸ Statistics Canada, *Participation and Activity Limitation Survey 2006: Families of Children with Disabilities in Canada*, Cat. no. 89-628-X – No. 009, 2008, pp. 11–12, <http://www.statcan.gc.ca/pub/89-628-x/89-628-x2008009-eng.pdf>.

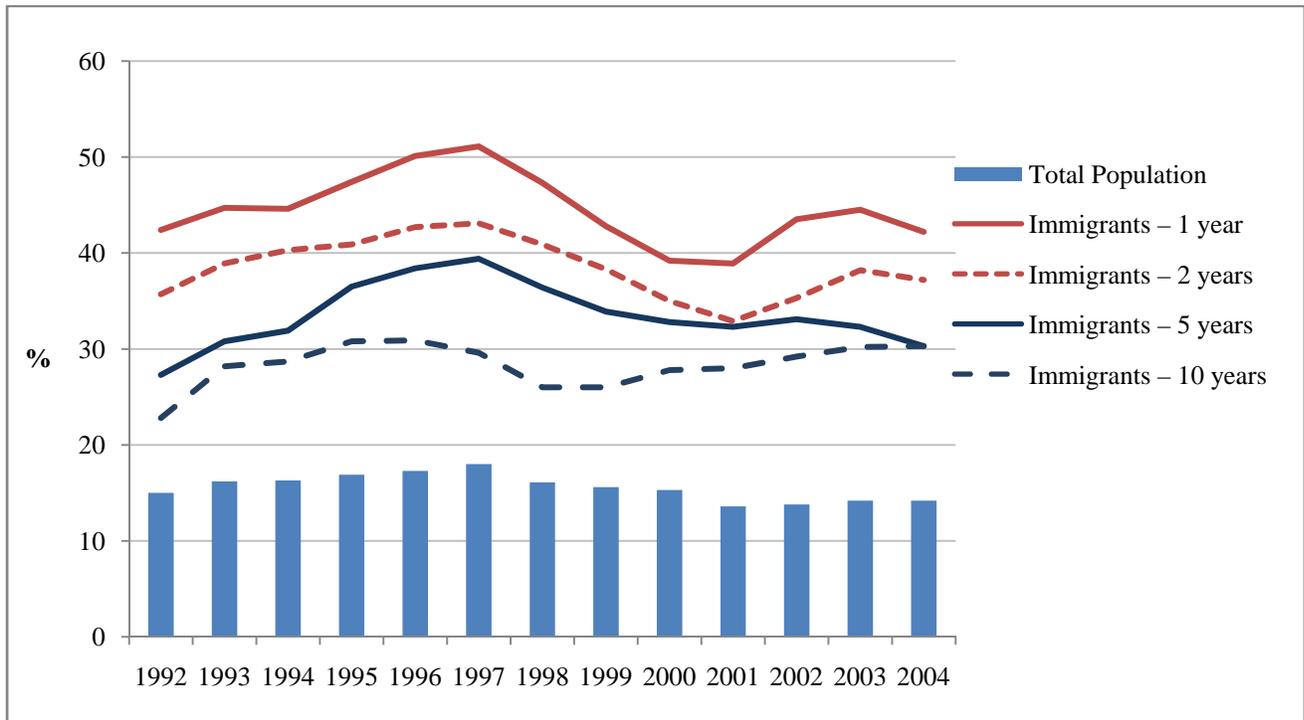
⁸⁹ Statistics Canada (2008), *Immigrant Status and Place of Birth (38), Immigrant Status and Period of Immigration (8A), Age Groups (8), Sex (3) and Selected Demographic, Cultural, Labour Force, Educational and Income Characteristics (277), for the Total Population of Canada*.

⁹⁰ Dominique Fleury, *A Study of Poverty and Working Poverty Among Recent Immigrants to Canada*, Final Report, Human Resources and Social Development Canada, July 2007, pp. 15–16, 37, http://www.hrsdc.gc.ca/eng/publications_resources/research/categories/inclusion/2007/sp_680_05_07_e/sp_680_05_07e.pdf.

⁹¹ Garnett Picot, Feng Hou and Simon Coulombe, *Chronic Low Income and Low-Income Dynamics Among Recent Immigrants*, Analytical Studies Branch Research Paper Series, Statistics Canada, Cat. no. 11F0019MIE – No. 294, January 2007, p. 13, <http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2007294.pdf>. The Low Income Measure (LIM) defines “low income” as family income below 50% of the median income of the total population, adjusted for family size.

⁹² *Ibid.*, pp. 13, 16.

Chart 11 – Prevalence of Low Income Among Immigrants to Canada and Total Population, 1992–2004



Source: Garnett Picot, Feng Hou and Simon Coulombe, *Chronic Low Income and Low-Income Dynamics Among Recent Immigrants*, Analytical Studies Branch Research Paper Series, Statistics Canada, Cat. no. 11F0019MIE – No. 294, January 2007, Table 2, p. 13. Note that, in this study, low income is calculated using the Low Income Measure (LIM).

- Certain classes of immigrants are more likely to experience low income than others. In 2004, the low-income rate among immigrants in Canada for one year was 38.3% among family-class immigrants, 42.4% among skilled workers and 54.7% among refugees. Refugees were also more likely to experience chronic low income.⁹³
- Changes to Canada’s immigrant selection criteria in 1993 that led to a dramatic rise in the educational attainment of new immigrants had little impact on poverty outcomes. Of immigrants in the 2000 cohort who experienced chronic poverty (low income for 4 out of the first 5 years in Canada), 52% were skilled immigrants and 41% had a university degree.⁹⁴ In 2004, 29.4% of recent immigrants living on a low income had a university degree, as compared with 10.7% of other Canadians.⁹⁵

⁹³ Ibid., pp. 32, 37.

⁹⁴ Ibid., pp. 4, 9.

⁹⁵ Fleury (2007), p. 25.

- Recent immigrants encounter more difficulty finding employment than other Canadians. The 2007 employment rate for immigrants was 77.9%, whereas the Canadian-born population had an employment rate of 83.8%. In that year, the unemployment rates among immigrants and non-immigrants were 6.6% and 4.6%, respectively, while the unemployment rate of recent immigrants (living in Canada 5 years or fewer) was more than double that of the Canadian-born population.⁹⁶
- The earnings gap between recent immigrants and Canadian-born workers has increased since 1980, when men who were recent immigrants and had some employment income earned 85 cents for each dollar earned by Canadian-born men. By 2000, this earnings ratio had fallen to 67 cents, and by 2005 it was 63 cents. A similar trend has been seen among recent immigrant women, who by 2005 were earning 56 cents for every dollar earned by Canadian-born women. This earnings disparity was larger between recent immigrants and Canadian-born workers with university degrees.⁹⁷
- Research has shown that individuals who belong to visible minority groups are more likely to experience poverty than those who do not. A study of the Toronto CMA found that “[p]overty and the broad distribution of income are strongly related to the ethno-racial contours of the population delineating the global boundaries often used to describe ‘racialization’ and to differences between ethno-racial groups.”⁹⁸
- Another study found that Canadian-born visible minorities were no more likely than others born in Canada to have low incomes. Immigrants who were members of visible minorities – even those who had been in Canada for over 17 years – were much more likely than other immigrants to face this situation.⁹⁹ In 2004, 86% of recent immigrants with low incomes were members of a visible minority.¹⁰⁰

⁹⁶ Jason Gilmore, *The Canadian Immigrant Labour Market in 2007*, The Immigrant Labour Force Analysis Series, Statistics Canada, Cat. no. 71-606-X2008003, May 2008, p. 7, <http://www.statcan.gc.ca/pub/71-606-x/71-606-x2008003-eng.pdf>.

⁹⁷ Statistics Canada, *Earnings and Incomes of Canadians Over the Past Quarter Century, 2006 Census*, Cat. no. 97-563-X, May 2008, pp. 21–22, <http://www12.statcan.gc.ca/english/census06/analysis/income/pdf/97-563-XIE2006001.pdf>.

⁹⁸ Michael Ornstein, *Ethno-Racial Groups in Toronto, 1971–2001: A Demographic and Socio-Economic Profile*, Institute for Social Research, York University, Toronto, January 2006, p. 80, http://www.isr.yorku.ca/download/Ornstein--Ethno-Racial_Groups_in_Toronto_1971-2001.pdf.

⁹⁹ Boris Palameta, “Low income among immigrants and visible minorities,” *Perspectives*, April 2004, Statistics Canada, Cat. no. 75-001-XIE, p. 17, <http://www.statcan.gc.ca/pub/75-001-x/10404/6843-eng.pdf>.

¹⁰⁰ Fleury (2007), p. 25.

I. The Working Poor¹⁰¹

- In 2007, 5.9% of working families in which the main income recipient had 910 hours or more of paid work that year lived on a low income. This was a decline from 7.3% in 2006 and was significantly lower than in 2000 (8.3%). In 2007, working poor families accounted for 31% of all low-income families.¹⁰²
- In 2007, 5.6% of children in working families – 334,700 children – lived on low incomes.¹⁰³ Six years earlier, 531,000 children faced this situation.¹⁰⁴
- The low-income gap among working poor individuals averaged \$6,311 in 2001, only slightly less than that faced by the non-working, benefit-dependent poor (\$6,465).¹⁰⁵ A study conducted in 2007 found that working poor families had a depth of poverty of 30.2%, as compared with 38.3% among non-working low-income families.¹⁰⁶
- The working poor are less likely than the non-working poor to experience persistent low income. Over the period from 2002 to 2007, 1.1% of main income recipients in working-poor families had low incomes for all years, as compared with 25.7% in non-working poor families.¹⁰⁷ Another study found that of those who were among the working poor in 1996, 60% had escaped persistent low income by 2002, as compared with 26% of low-income individuals who did not work.¹⁰⁸

¹⁰¹ All low-income statistics in this section are based on the Market Basket Measure (MBM), a measure of the disposable income (total income less income/payroll taxes, payroll deductions and child support/alimony payments) that a household needs to purchase a specific basket of goods and services. The studies cited in this section define the “working poor” as individuals aged 18 to 64 who are not full-time students and who, despite having worked for pay a minimum of 910 hours in the reference year, have a family income below a low-income threshold. “Working poor families” are economic families with low incomes in which at least one member meets the aforementioned criteria. The standard of 910 annual hours of paid work or more is the equivalent of working for pay for at least 35 hours a week for half the year.

¹⁰² Human Resources and Skills Development Canada (2009), pp. 18–19.

¹⁰³ *Ibid.*, pp. 19–20.

¹⁰⁴ Dominique Fleury and Myriam Fortin, *When Working is not enough to Escape Poverty: An Analysis of Canada's Working Poor*, Working Paper, Human Resources and Social Development Canada, August 2006, p. 17, <http://www.hrsdc.gc.ca/eng/cs/sp/sdc/pkrf/publications/research/SP-630-06-06/SP-630-06-06E.pdf>.

¹⁰⁵ *Ibid.*, p. 20.

¹⁰⁶ Human Resources and Skills Development Canada (2009), p. 21. Regarding the notion of the depth of poverty or low income, see note 11.

¹⁰⁷ *Ibid.*, p. 22.

¹⁰⁸ Fleury and Fortin (2006), no. 97, p. 79. According to this study, “[i]ndividuals are said to have experienced persistent poverty if their after-tax family income for all years between 1996 and 2001 was lower than the sum of the associated low-income cut-offs during these years.”

- Most of the working poor have strong attachments to the labour market, 76% reporting full-time, full-year work in 2001. These individuals earned, on average, \$12.00 per hour, which was 50% higher than the highest minimum wage in Canada at that time. One-third of the working poor were employed in the sales and services sector.¹⁰⁹
- Studies have shown that the working poor are more likely than individuals who do not have low incomes to be young; to be single, separated, divorced or widowed; to be unattached; to have a work-limiting disability; and to have an educational attainment below the high school level. Recent immigrants and Aboriginal people living off-reserve are also overrepresented among the working poor population.¹¹⁰

¹⁰⁹ Ibid., pp. 18–19, 22.

¹¹⁰ Ibid., pp. 20–21.