

THE FACE OF POVERTY IN CANADA: AN OVERVIEW

by the National Anti-Poverty Organization, 2003

The Good News:

- poverty rate for **lone parent families** is below 50% for the first time in 20 years (due in part to higher incomes and increased government transfers)
- poverty rate for **seniors** has dropped from 20% to 17% (due to recent full CPP benefit payments from the government to eligible seniors)
- poverty rate for seniors living alone has dropped from 65% in 1980 to 40% in 2000

The Bad News:

The last decade has seen one of Canada's strongest economic performances. However, all Canadians have not shared this economic prosperity.

- deep and persistent poverty continues in Canada
 - the national pre-tax poverty rate has increased over the last 13 years
 - rate and depth of poverty has deepened for many groups
 - young families are more likely to be poor
 - vulnerability of children and lone-parent families remains high
 - the poverty gap for working-age households is increasing
- (Canadian Fact Book on Poverty 2000 - CCSD)

National Numbers: (based on 2001 Census data)

Comparisons of rates are for the years 1990 and 2000 unless otherwise noted (CCSD Analysis)

- total number of Canadians who are poor **increased** from 4.39 million to 4.72 million from 1990-2000
- total number of children living in poverty **increased** to 1,245,700 - 40,000 more children live in poverty now than in 1990
- income **inequality grew** with the income of the richest 10% of Canadians increasing by 14.6% and the income of the poorest 10% of Canadians rising by less than 1%
- income of many working families **declined**
- earnings of the 20% of low income working Canadians who are just below the median wage actually **decreased**

Who is poor in Canada?

Women

Trend: poverty rate for immigrant women is increasing dramatically

- women raising families by themselves – 45.4% are poor (24% male lone-parent households are poor)
- single, divorced, widowed women over 65 – 45.6% are poor
- unattached women under 65 – 40% are poor
- women with disabilities – n/a
- Aboriginal women – average income is \$13,300 compared to \$18,200 for Aboriginal men and \$19,350 for non-Aboriginal women
- visible minority women – 37% are poor (compared to 19% for all women)
- immigrant women
- female minimum wage earners – women and youth make up 83% of Canada's minimum wage workers - they earn wages well below the poverty line
37% of lone mothers with paid work must raise their families on less than \$10/hour.

Minimum wage earners (low income earners):

Trend: Average income has increased only slightly over from 1990-2000

- average income for low income earners in 2000 was \$10,341 – only \$80 higher than 10 years earlier
- in same time period (1990-2000) the top 10% of wealthiest Canadians incomes grew by over 14%
- Statistics Canada pre-tax LICO in 2000 was \$18,731 for a single person in a large city. To reach this poverty line a person must work 35 hours at \$10/hour.

Note: incomes of working families who are just below the median income bracket *dropped* from 1990-2000

Working-age households:

- poverty gap grew by 106% from 1981 to 1997

Children and their families:

Trend: The total number of children living in poverty declined from 1996-2000 but rose from 1990-2000.

- 40,000 more children under the age of 18 now live in poverty than in 1990 (number for 1990 was 14.4%)

- 1, 139,000 = total number of children living in poor families in 2000 (16% of all children)
- 300,000 children rely on food banks
- From 1984-1999 net wealth of the top 20% of couples with children increased by 43%. Net wealth for couples with children who were below the poverty line decreased by 51%.

Children and immigrant families:

Trend: There have been dramatic increases in poverty rates for both of these groups.

- the percentage of children in poor families of recent immigrants (arrived in the last 10 years) with two parents rose from 33% in 1990 to 39% in 2000 – double the national average
- children in families where one parent is a recent immigrant rose from 27% to 33% (1990-200)
- 231, 000 children with at least one parent who is a recent immigrant live in poverty

New Immigrants:

Trend: There has been a dramatic increase in the poverty rate for this group.

- immigrants in Canada less than five years have a poverty rate of 35.8% (year 2000)
- in Canada 6-10 years = poverty rate of 28.3% (up from 18.7% in 1980)
- in Canada 11-15 years = poverty rate of 22.7% (up from 14.4% in 1980)
- in Canada more than 20 years = poverty rate of 19.1% (up from 14.7% in 1980)

Visible minority groups:

- 36% are poor (1996 Census data) likely increased since then

Seniors:

Note: The number of women 65 and older in economic families who are poor increased from 5.4% in 2000 to 5.9% in 2001.

- 40% of all seniors living alone are poor
- 45.6% of senior women living alone are poor
- 32.8% of senior men living alone are poor

Aboriginal adults and youth: (1996 Census data)

- 55.6% of Aboriginal people in Canadian cities were poor in 1995
- 52.1% Aboriginal children are poor
- 43.4% of Aboriginal people are poor (1996 Census data)

- 44% of Aboriginal people living off reserves are poor while 47% living on reserves are below the poverty line (CRIAOW fact sheet 2002)
- In 2003, Canada's Aboriginal people would rank 78th on the UNDP's Human Development Index. Canada consistently places in the top three countries on the same scale.

People with disabilities:

- 25% of people with disabilities were poor in 1998 (report from office of Disability issues –HRDC 2002)
- the households of First Nations and Métis people with disabilities take in about half the income of non-Aboriginal households in Canada, and about three quarters of the household income of Aboriginal people without disabilities (from census data 1996)

Social assistance recipients:

Trend: Poverty is increasing for this group (see charts).

- welfare rates for all territories and provinces are well below the national and regional poverty lines
- most recipients in Canada saw a decrease in welfare income in 2002
- the poverty gap between welfare rates and low income cut offs increased for most households in all provinces except Quebec between 2001 and 2002

Young families:

Trend: Poverty is increasing dramatically in this group.

- poverty rate for a family where the youngest adult is under age 25 was 46.% in 1997 compared to almost 22% in 1981
- poverty rate for families with the youngest adult between the ages of 25-34 was 18.9% in 1997 up from 12.0% in 1981

Rural Poverty

Definitions:

Rural: The OECD defines a region as “predominantly rural” if more than 50% of the population lives in rural communities. A “community” is defined as rural if the population density is less than 150 individuals per square kilometre.

Urban: Defined as “predominantly urban” if less than 15% of the individuals live in rural communities.

Poverty Statistics for Rural and Urban Regions in Canada

Appendix Table 2. Incidence of low income in rural and urban regions, Canada and Provinces, 1980 - 2000

Rural regions in:	1980	1985	1990	1995	2000	Average	Above the Canadian rural average?
Canada	16.2	17.3	13.8	16.3	13.6	15.4	
Newfoundland and Labrador	22.0	24.9	17.1	21.9	19.3	21.0	Yes
Prince Edward Island	17.7	15.5	12.9	15.2	12.6	14.8	No
Nova Scotia	17.3	17.7	15.5	19.4	17.3	17.4	Yes
New Brunswick	19.3	19.1	16.0	18.4	15.0	17.6	Yes
Quebec	17.1	19.5	15.1	18.0	14.3	16.8	Yes
Ontario	14.4	13.3	10.3	13.6	10.9	12.5	No
Manitoba	19.1	18.3	15.0	15.4	13.6	16.3	Yes
Saskatchewan	18.3	19.7	17.9	17.6	15.2	17.7	Yes
Alberta	14.5	16.2	14.3	14.9	11.6	14.3	No
British Columbia	12.4	16.9	13.1	16.1	14.5	14.6	No
Urban regions in:	1980	1985	1990	1995	2000	Average	Above the Canadian urban average?
Canada	15.6	16.8	16.7	21.2	17.3	17.5	
Newfoundland and Labrador	20.1	21.3	16.8	20.7	18.3	19.5	Yes
Prince Edward Island	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nova Scotia	15.5	14.5	14.1	17.7	15.5	15.5	No
New Brunswick	17.6	20.0	17.3	21.2	18.1	18.8	Yes
Quebec	18.9	20.8	20.3	25.1	20.5	21.1	Yes
Ontario	13.9	13.4	13.8	18.7	15.2	15.0	No
Manitoba	17.9	19.0	21.2	24.3	20.2	20.5	Yes
Saskatchewan	15.8	18.2	17.2	19.2	16.5	17.4	--
Alberta	13.1	16.6	17.8	20.2	14.8	16.5	No

British Columbia	14.2	18.7	16.8	22.1	19.9	18.3	Yes
	1980	1985	1990	1995	2000	Average	

**** Rural minus urban percentage point difference in incidence of low income ****

Canada	0.5	0.5	-2.8	-4.8	-3.7	-2.1
Newfoundland and Labrador	1.8	3.6	0.2	1.2	1.0	1.6
Prince Edward Island	N/A	N/A	N/A	N/A	N/A	N/A
Nova Scotia	1.9	3.2	1.5	1.7	1.7	2.0
New Brunswick	1.7	-0.9	-1.4	-2.7	-3.1	-1.3
Quebec	-1.8	-1.3	-5.2	-7.2	-6.2	-4.3
Ontario	0.6	-0.1	-3.5	-5.1	-4.3	-2.5
Manitoba	1.2	-0.7	-6.2	-8.9	-6.7	-4.2
Saskatchewan	2.5	1.4	0.7	-1.6	-1.3	0.4
Alberta	1.3	-0.5	-3.5	-5.2	-3.2	-2.2
British Columbia	-1.9	-1.8	-3.7	-6.0	-5.4	-3.8

Source: Statistics Canada. Census of Population, 1981, 1986, 1991, 1996 and 2001.

Note: The incidence of low income is the percent of individuals living below the low income cut-off (LICO).

Note: Average is (1980 + 1985 + 1990 + 1995 + 2001) / 5.

Highlights of four censuses (1981, 1986, 1991, 1996)*:

- In each province, incomes in rural regions are lower than urban areas.
- Provinces with above average incomes in urban areas also have above average incomes in rural regions.
- Nova Scotia and Manitoba have the largest income disparity between urban and rural regions and Newfoundland and Labrador and New Brunswick have the lowest.
- Newfoundland is the only province where a decline in rural-urban income gap has not occurred.
- The share of the rural population with low incomes has declined relative to the share of urban population with low incomes *mainly due to an increase in the incidence of low income in urban areas.*

* Statistics Canada: Vik Singh, Rural and Small Town Canada Analysis Bulletin, Vol. 3, No. 7 (March 2002)

Sources and Resources

1. Canadian Council on Social Development (www.ccsd.ca)
 - The Canadian Fact Book on Poverty 2000
 - Urban Poverty in Canada: A Statistical Profile
 - tables on social assistance rates, poverty gaps, low income cut offs etc.
2. Campaign 2000 (www.campaign2000.ca)
 - Poverty amid Prosperity: Building a Canada for all Children: 2002 Report Card
3. National Council on Welfare (www.ncwcnbes.net)
 - Adequacy of Benefits
 - Benefits Over Time
4. Statistics Canada (www.statcan.ca)
 - CANSIM table 202-0802 and catalogue no. 75-202-XIE – available free charge on the Stats Canada website
 - The Daily – Stats Canada online publication
 - Rural and Small Town Canada Analysis Bulletin, Vol. 3, No. 7 March 2002)
5. Canadian Research Institute for the Advancement of Women (www.criaw-icref.ca)
 - Women and Poverty – Fact Sheet