

Let's Repair the Wall

Close Encounters of the 4th Kind

How Is Canada Doing in Addressing Child and Family Poverty? 2005 Report Card

- **Focus Area :** Child and Family Poverty
- **Assessment:** No progress
- " 1.2 million children in poverty - almost 1 in every 6 children
- "Child poverty rate stuck at around 18% since 2000, despite economic growth
- "Number of children living in poverty risen by 20% since 1989
- **Focus Area :** Couples with Children
- **Assessment:** No progress
- "Low income couples with children still \$9,900 (on average) below poverty line
- "Poverty rate virtually unchanged at 12%
- **Focus Area:** Lone Mother Families
- **Assessment:** No progress
- "Child poverty rate for female lone parent families dropped slightly to 52.5%
- "Low income lone mother families have fallen deeper into poverty - would need \$9,600 (on average) to reach poverty line
- **Focus area:** Gap Between Rich and Poor
- **Assessment:** No progress
- "Deep inequality entrenched despite economic growth. Canada's top 10% richest families with children had average incomes that were more than 13 times higher than the bottom 10%
- **Focus Area:** Food Bank Use
- **Assessment:** No progress
- "41% of food bank users in 2004 were children - approximately 325,390 children
- **Focus Area:** Social Exclusion
- **Assessment:** Worsening
- "Child poverty rates for Aboriginal, immigrant and children in visible minority groups are more than double the average for all children; child poverty rates among children with disabilities are 27.7%

Peel Poverty

- According to the 2001 Census, there were 114,505 individuals in low income in Peel, representing 11.6% of the total population. The incidence of low income in Peel in 2001 was lower than the provincial and national average but is still higher than it was in 1991, contrary to the national trend.
- Peel's poverty rate in 2000 was about the average (11.6%) for Ontario communities except for Hamilton and Toronto where it is higher. However, Peel's poverty rate was higher in 2000 than it was in 1990, contrary to the national trend.
- Poverty has well documented negative impacts on the health of adults and children and if not adequately addressed will impact future health costs, including the Region's ambulance and public health programs.
- The groups most vulnerable to poverty are also among the fastest-growing components of Peel's burgeoning population: recent immigrants, visible minorities, single parents, young families with children and unattached seniors.

Poverty and Health

- A 1995 Canadian study found children born in poor neighbourhoods had a greater risk of infant death than those in richer neighbourhoods.
- Data from the 1996/1997 National Population Health Survey showed prevalence of chronic diseases (e.g. high blood pressure, emphysema, stomach ulcers) were higher among those with low income compared with high income.
- Low-income earners experience higher levels of premature death.
- In Ontario, a 1999 study showed that heart attack victims from wealthy neighbourhoods were more likely to survive than those from poorer neighbourhoods.
- Low birth weight is more prevalent among areas with high rates of poverty than those with low rates of poverty. (see graph below).

Poverty in the City of Toronto

- Nearly a third of families (28.8%) in Toronto or 93,000 households are living in poverty. That's nearly double the family poverty rate from 1990, when 16 per cent of families living in Toronto were living below the poverty line. Currently, a two parent family with two children living on less than \$27,500 is considered poor.
- **More than 1.2 million Canadian children (one out of every six) live in poverty. Nearly 320,000 of them rely on food banks for their daily needs. 373,200 children in Canada, or 31.1% of all low-income children, lived in families with at least one parent working full time, full year, yet were still in poverty.**
- 52% of Aboriginal children are living in poverty
- **Work is no longer a guaranteed escape from poverty. 76% of all low-income two-parent families in the City of Toronto earned, on average, \$10,726 in the entire year, which is well below the poverty line of \$27,500. About 2 million adults are working for less than \$10 an hour. On average, a poor working family need about \$10,000 to reach the poverty line**
- The gap between rich and poor continues to grow and the asset gap is huge. The poorest 50% of Canadian households own only 6% of all personal financial assets

Toronto Poverty

- **Access to opportunities is only one aspect of levelling the playing field. Canadian-born Blacks, for example, are as likely as other Canadians to have attended university (21%), but they have higher rates of unemployment and lower average incomes**
- **Poverty in foreign-born racialized minorities is increasing dramatically, despite the fact that immigrants are arriving with higher credentials. 52% of recent immigrants (1991-1996) are living in poverty here – more than double the rate (21%) of other Canadians.**
- 22% of working women earn low wages, compared to 12% of working men
- **1 in 5 of Toronto's two-parent families were low income, compared to approximately 1 in 10 at the national, provincial and rest of Toronto CMA levels (2005)**
- **30% of all families with children 0-17 years old in the City of Toronto are lead by a lone parent**
- **More than 50% of lone-parent families in the City of Toronto were low income in 2005, up from 1 in 3 in 1990**
- Only 10% of all low income families received Employment Insurance in 2005

Poverty Spell

- In Canada and the United States, based on the disposable income measure over 35 percent of all time spent in poverty was spent in spells of 5-6 years. The corresponding shares in Germany and Great Britain are about 10-20 percentage points lower, suggesting that poverty durations in general are shorter in those countries. It is perhaps somewhat surprising to discover that Canada exhibits poverty persistence similar to that in the United States

Poverty Measure

- **Low-Income Measure (LIM)**
- Low-income is defined as having an income of less than half the median income of a family of the same size and age composition for all of Canada. A purely relative measure of “poverty”, the LIM is also a more conservative measure than the better-known Low-Income Cut-Off (LICO). In other words, the LIM measure will typically calculate fewer numbers living in “poverty or low-income” compared to the LICO. For illustration, the 2005 after-tax LIM line for the following sized families are shown below:
- **Lone-parent family**
 - 1 child \$19,250
 - 2 children (under 16 years) \$23,375
 - 2 children (over 16 years) \$24,750
- **Two-parent family**
 - 1 child \$23,375
 - 2 children (under 16 years) \$27,500
 - 2 children (over 16 years) \$30,250

Low income cut-offs (1992 base) after tax

Size of Family Unit	Community Rural	Size Urban	Areas		
2005		Less than \$30,000	30,000 To 99,999	100,000 to 499,000	500,000 And over
1 person	11,264	12,890	14,380	14,562	17,219
2 persons	13,709	15,690	17,502	17,723	20,956
3 persons	17,071	19,535	21,794	22,069	26,095
4 persons	21,296	24,373	27,190	27,532	32,556
5 persons	24,251	27,754	30,962	31,351	37,071
6 persons	26,895	30,780	34,338	34,769	41,113
7 or more Persons	29,539	33,806	37,713	38,187	45,155

Number of Neighbourhoods by Family Poverty Rate

City of Toronto	1981	1991	2001	% Change 1981-2001
Lower Poverty (0-12.9%)	228	220	177	-22.4
Moderate Poverty (13-25.9%)	166	189	223	34.3
High Poverty (26-39.9%)	26	57	97	273.1
Very High Poverty (40%+)	4	9	23	475.0

Neighbourhood Poverty

- Neighbourhoods of high poverty have significant short and long term consequences including high housing costs and property taxes, increased crime, and abandonment by both residents and businesses