

Tracking Poverty



The 2006 Census of Population is the most current and comprehensive data source for the study of the socio-demographic characteristics of poverty. The result of the 2011 National Household Survey (NHS) will not be available until 2013 and beyond. Unlike past censuses, the NHS is a voluntary program; its data reliability and comparability with previous censuses still have to be determined.

On an annual basis, Statistics Canada produces certain economic and demographic information from the income tax forms submitted by Canadians. Over 23 million records are processed each year to provide the most detailed and accurate data possible. The Small Area Data produced by the Statistics Canada's Small Area Administrative Data Division (SAAD) are available at smaller geographic levels such as postal areas and selected census areas.²

Although the data derived from the income tax forms do not provide the same amount of socio-demographic data collected by the long-form census, its availability on an annual basis (instead of every five years for the census) and high accuracy (direct count from the tax file – not a sample) makes it an alternative data source for the study of poverty. It enables us to track poverty annually.

Low Income Measures (LIM)

For the tax file data, Statistics Canada uses the Low Income Measures (LIM) as relative measures of poverty instead of the Low Income Cut-offs (LICO) which are income thresholds below which families will devote a large share of income to the necessities of food, shelter and clothing than the average family would. LIM is also the most commonly used low-income measure internationally.

Low Income Measure (LIM) - After Tax 2009						
	Number of children less than 16 years of age					
	0	1	2	3	4	5
1 adult	\$15,770	\$22,078	\$26,809	\$31,540	\$36,271	\$41,002
2 adults	\$22,080	\$26,812	\$31,543	\$36,275	\$41,006	\$45,738
3 adults	\$28,390	\$33,122	\$37,853	\$42,585	\$47,317	\$52,049
4 adults	\$34,700	\$39,432	\$44,164	\$48,896	\$53,627	\$58,360

Source: Statistics Canada, Income Statistics Division

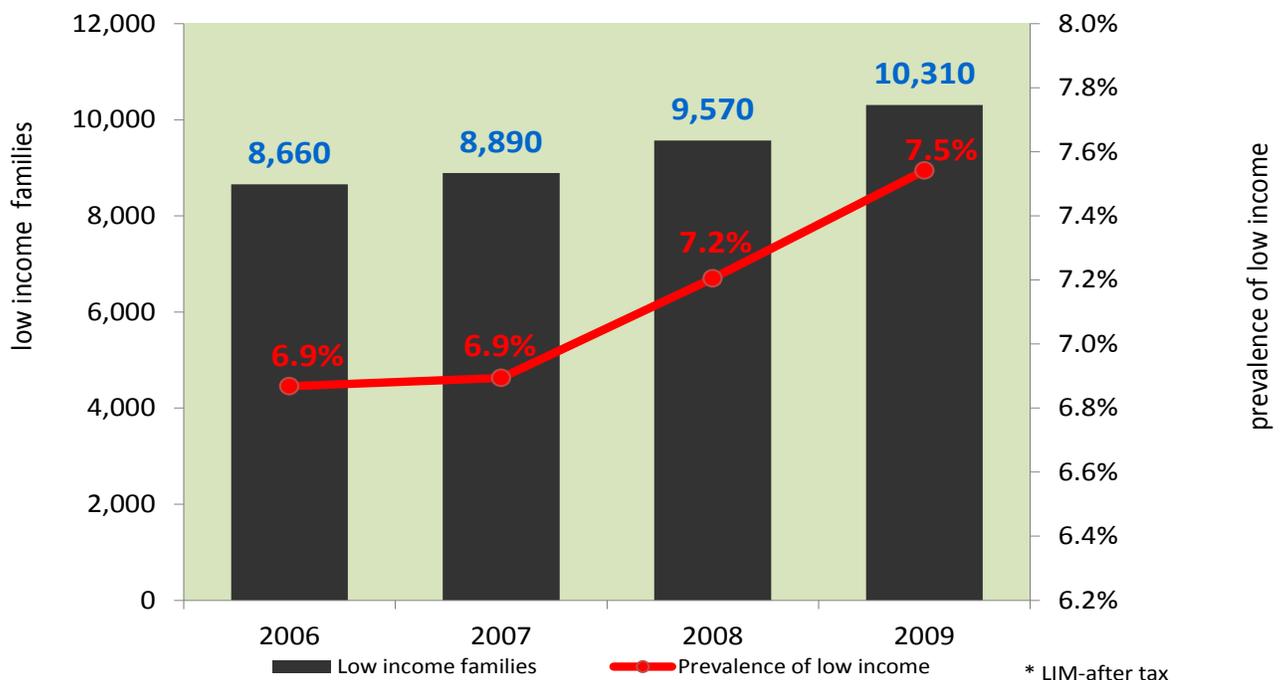
² Statistics Canada, Neighbourhood insights – Your guide to the statistical information packages available from Small Area and Administrative Data Division, 2006, Catalogue no. 17-507-XIE

In simple terms, the LIM is a fixed percentage (50%) of median² adjusted economic family income, where “adjusted” indicates that family needs are taken into account. Adjustment for family sizes reflects the fact that a family’s needs increase as the number of members increase. Most would agree that a family of five has greater needs than a family of two. Similarly, the LIM allows for the fact that it costs more to feed a family of five adults than a family of two adults and three children.³

In Halton, between 2006 and 2009, the increase (19%) of the number of low-income families is more than double that of all Halton families (8.4%). The significant increase in the number of low-income families and the prevalence of low income takes place after 2007 with the onset of the global recession. By 2009, over 10,000 families lived in low income generating a poverty rate of 7.5% (after tax).

By far the greatest actual and relative increase of low-income families occurs in the Town of Milton. The number of low-income families in Milton increased by over 70%, doubling the growth rate of all families. The number of low-income families in both Oakville and Burlington also experienced a growth rate of about 10%.

Low Income Families and Prevalence of low income* Halton Region, 2006-2009



Source: Statistics Canada, Income Statistics Division, 2009, Annual Estimates for Census Families and Individuals, 13C0016

² median income is the dollar amount which divides the population into two halves; the incomes of the first half are below the median, while those of the second half are above the median

³ Statistics Canada, Income Statistics Division, *Census Families User's Guide*, (13C0016), June 2011



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