



Incomes and Poverty Report Burlington

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United Way
of Burlington
& Greater Hamilton



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1. Introduction

The global recession of 2008 has left deep scars in Ontario's economy, many of its residents, their families and livelihood.

Ontario lost 205,900 jobs between October 2008 and October 2009 pushing the unemployment rate from 6.7% to 9.3%¹. The Ontario Works caseload grew 27.5% between September 2008 and September 2010, to 250,350². The number of bankruptcies (consumers and businesses) has increased by 44.7% between September 2008 and September 2009³. Within the same period, the number of Ontarians turning to food banks has increased by 19% with over 375,000 persons being served every month⁴.

Like other communities in the province, the City of Burlington also shared some of the negative impacts of this global economic downturn. Individuals and families are struggling to make ends meet. Many of them have fallen through the government's safety net and have to turn to the nonprofit community service sector for help.

Although there are no comparable data on job loss, unemployment rate, social assistance caseload and bankruptcies at the community level such as the City of Burlington, the recently released report⁵ by Community Development Halton on the impact of the recession on demand for services provided by nonprofit community social service agencies tells a similar story. Over half of the agencies surveyed reported an increase in service demand. Over 65% of the agencies are experiencing a greater demand now than before the economic downturn began in September 2008.

This report, requested by the United Way of Burlington and Greater Hamilton (UWBGH), explores the social and spatial dimensions of poverty by various population groups such as newcomers, people living with disabilities, seniors and children. Although it relies on the 2006 Census as the main data source, the findings will help to inform the public, government, funders and social service agencies and stimulate discussions about poverty in our community especially the growing economic hardship brought about by the recent economic events.

¹ Statistics Canada, *Labour Force Information, Oct 11-17, 2009*, Catalogue no. 71-001-X

² Ontario Ministry of Community and Social Services, *Ontario Social Assistance-Monthly Statistics Report*, October 2010

³ Industry Canada, Office of the Superintendent of Bankruptcy Canada, *Insolvency Statistics in Canada*, October 2009

⁴ Ontario Association of Food Banks, *Ontario Hunger Report 2009*, December 2009.

⁵ Community Development Halton, *A Recovery-free Zone: The Halton Bulletin*, November 2010

2. Incomes in Burlington

By many measures, the City of Burlington is an affluent community. Its individual, household⁶ and family⁷ median incomes⁸ are more than 20% higher than those for Ontario in 2005 as shown in Figure 1. Over 42% of Burlington's families made more than \$100,000 compared to 30% of the families in the province.

Figure 1. Median Incomes, Ontario and City of Burlington, 2005

Median income	Burlington	Ontario	% difference
Individual	\$34,379	\$27,258	26.1%
Household	\$74,969	\$60,455	24.0%
Family	\$86,174	\$69,156	24.6%
% families with income over \$100,000	42%	30%	

Source: Statistics Canada, 2006 Census

2.1 Median Individual Income

Although the median individual income in Burlington and in Ontario has increased by over 30% between 1995 and 2005, the income gender gap still exists as illustrated in Figure 2.

In 1995, women in Burlington made about 53 cents for every dollar earned by men. Ten years later, the gender gap has narrowed by 6 cents to 59 cents. Even though Burlington's female income has increased faster than that for the province, Burlington's gender gap is still wider than that of the province. In 2005, Ontario's women earned about 63 cents for every dollar made by men.

This income disparity continues to exacerbate the struggle of low income women and single mothers to become financially independent.

⁶ A household may consist of a family group with or without other persons, of two or more families sharing a dwelling, of a group of unrelated persons, or of one person living alone.

⁷ A family refers to 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.

⁸ Although average income is often used to provide an aggregate income value for a population, it is sensitive to extreme high and low income values. In order to minimize distortion from extremely high or low incomes, median income is used instead. 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.

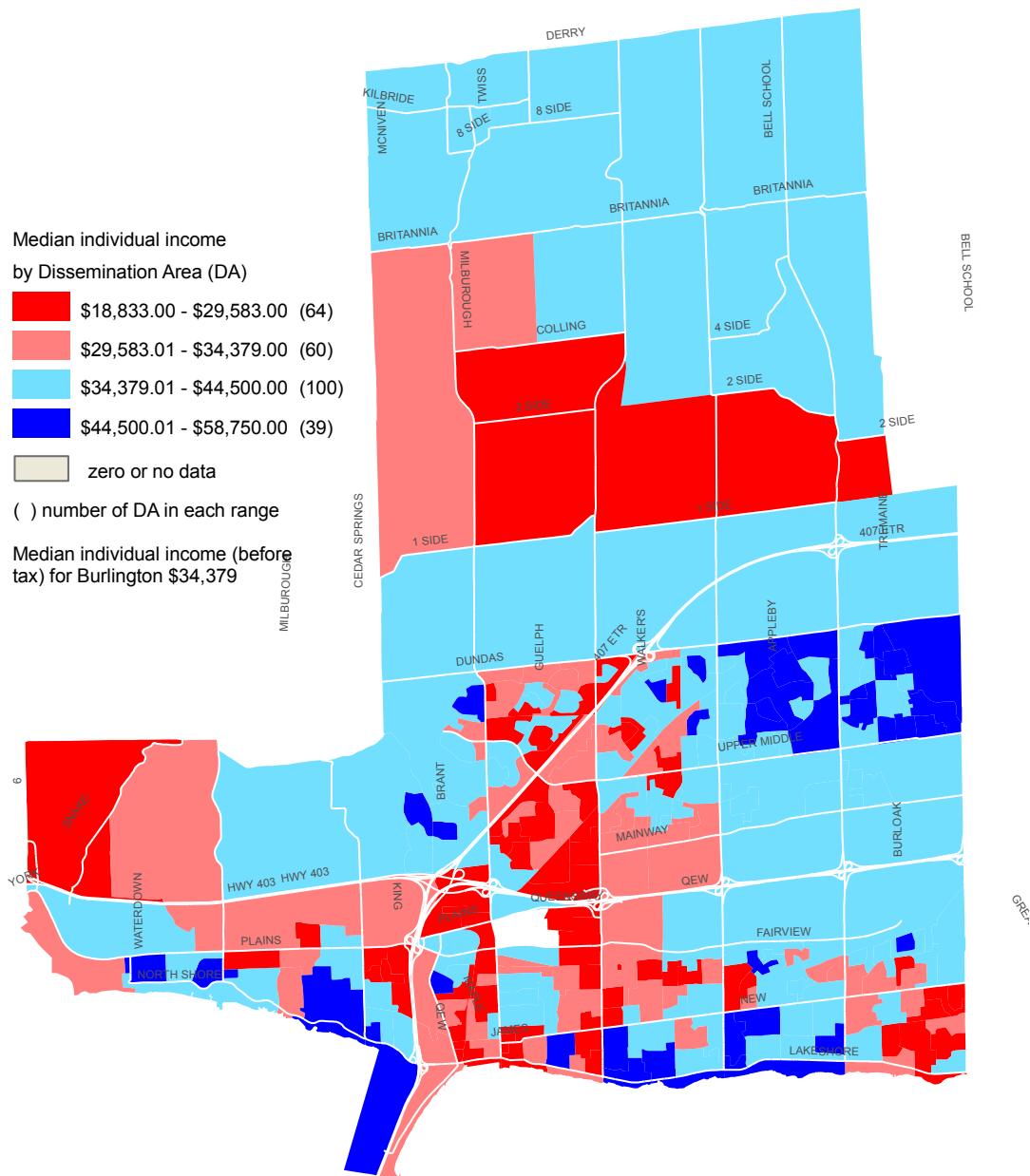
Figure 2. Median Individual Incomes by Sex, Ontario and City Of Burlington, 1995-2005

	Burlington			Ontario		
	Population (15yrs+)	male	female	Population (15yrs+)	male	female
1995	\$25,945	\$35,642	\$18,946	\$20,678	\$27,379	\$16,004
2000	\$31,339	\$42,124	\$22,141	\$24,816	\$31,560	\$18,899
2005	\$34,379	\$45,225	\$26,761	\$27,258	\$34,454	\$21,669
1995-2005	32.5%	26.9%	41.2%	31.8%	25.8%	35.4%
Source: Statistics Canada, 1996, 2001 and 2006 Censuses						

Map 1 shows the geographic distribution of median individual income by dissemination area⁹. The median individual income for the city as a whole was \$34,379. Areas coloured in shades of blue are above the city average. Over 10% of the Dissemination Areas (DA) belong to the highest income range (\$44,500 – \$58,750). Areas coloured in red fall in the lowest median income category. There are over 60 or 23% of Dissemination Areas with median individual income below \$29,583. The map shows where clusters of individual poverty are located within Burlington. This provides the basis for further investigation as to why certain parts of Burlington have lower median incomes and what strategies, including services and their location, might be necessary to address this situation.

⁹ A Dissemination Area (DA) with a population of approximately 500 is the smallest standard geographic unit for which most Census data are available.

Map 1. Median Individual Income by Dissemination Area, City Of Burlington, 2005



Source: Statistics Canada, 2006 Census

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2.2 Median Individual Income by Selected Groups

In addition to the income gender gap, there are also income disparities among population groups as shown in Figure 3. The financial well-being of these groups can be easily overlooked when the population is considered as a homogenous group.

Figure 3. Median Individual Income by Selected Groups, City of Burlington, 2005

	Median income	% of total population median income
Total Population (15 years +)	\$34,379	100%
Unattached (non-family) individuals	\$34,805	101%
Senior	\$28,406	83%
Person with disabilities	\$28,201	82%
Racialized groups ¹⁰	\$25,042	73%
Recent immigrant	\$17,504	51%
<i>Source: Statistics Canada, 2006 Census</i>		

In Burlington, over 10% of the population are unattached individuals. An unattached individual is one who either lives alone or with others to whom he or she is unrelated, such as roommates or a lodger. The significance of this group is the inclusion of at risk youths and living alone seniors. Over 40% of those living alone are seniors of which three-quarters (76%) are women.

As a group, the unattached individuals' median income is about 1% higher than that for the total population. However, youth (aged 15 - 24 years) and seniors (aged 65 years and over) have lower median incomes than the unattached population average. The median incomes for youth and the seniors represent about 58% and 82% of the group average respectively.

Seniors make up about 15% of the total population. Their median income is about 17% less than that of the total population. Female seniors fare worse than their male peers. Their incomes represent about 60% of the income of male seniors.

About 17% of the population experienced some types of activity limitations¹¹. Their median income represents 82% of the total population average.

¹⁰ In this text, we use the term 'racialized group' rather than the Statistics Canada term 'visible minority'. Unlike visible minority, the term racialized group makes reference to systemic processes through which individuals and groups are targeted, excluded and discriminated against as communities of colour. For these reasons, we use the term racialized group.

One in ten residents in Burlington is from a racialized group. About 35% of the population from racialized groups was born in Canada. As a group, the racialized population have a lower median income than the total population. They earn about 73 cents for every dollar made by the total population.

Between 2001 and 2006, Burlington received about 4,000 immigrants. This represents an increase of 43% of the recent immigrant population between 1996 and 2001. Recent immigrants fared the worst in their financial well-being. Their median income was only half that of the population.

As pointed out by Statistics Canada's reports on earnings and incomes of Canadians¹², the income gap widened even though the educational attainment of recent immigrant earners rose much faster than that of their Canadian-born counterparts from 1980 to 2005.

Recent immigrants faced many challenges in the Canadian labour market, including insufficient Canadian job experience, lack of connections in the job market and foreign credentials not being recognized.¹³

¹¹ Statistics Canada defines activity limitations as limitation to selected activities (home, school, work and other) because of a physical condition, mental condition, or health problem which has lasted or is expected to last six months or longer.

¹² Statistics Canada, *Earnings and Incomes of Canadians over the Past Quarter Century, 2006 Census*, Catalogue no. 97-563-X

¹³ Statistics Canada, *Immigrants working in regulated occupations, Perspectives, February 2010*, Catalogue no. 75-001-X

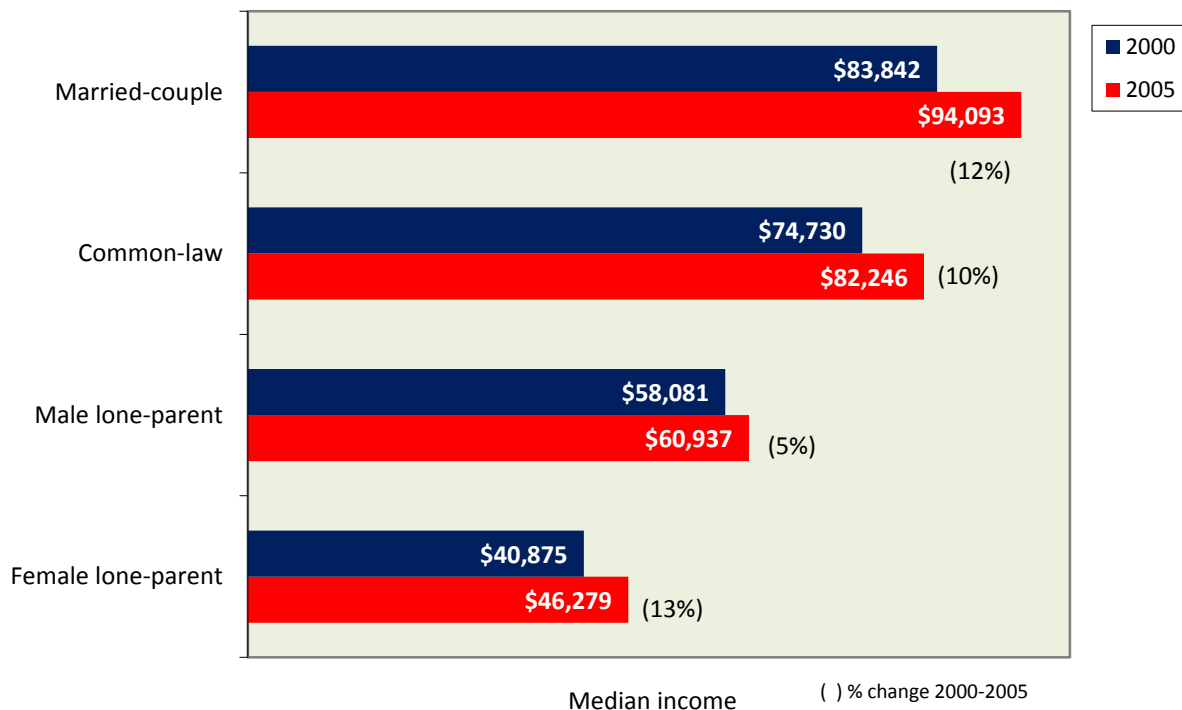
2.3 Median Family Income

Among all family types, married couple families with or without children have the highest median incomes. As shown in Figure 4, the median income of married-couple families is about 14% higher than their common-law counterparts.

As expected, on average lone-parent families earn less than couple families. The ratio between the income of married-couple families and that of female lone-parent families is more than 2 to 1. Female lone parents earn less than 50 cents for every dollar made by their two-parent peers.

Although the median income of female lone-parent families has increased twice as fast as male lone-parent families between 2000 and 2005, they still earned only 76 cents for every dollar made by their male counterparts.

Figure 4. Median Family Incomes by Family Types, City of Burlington, 2000 and 2005

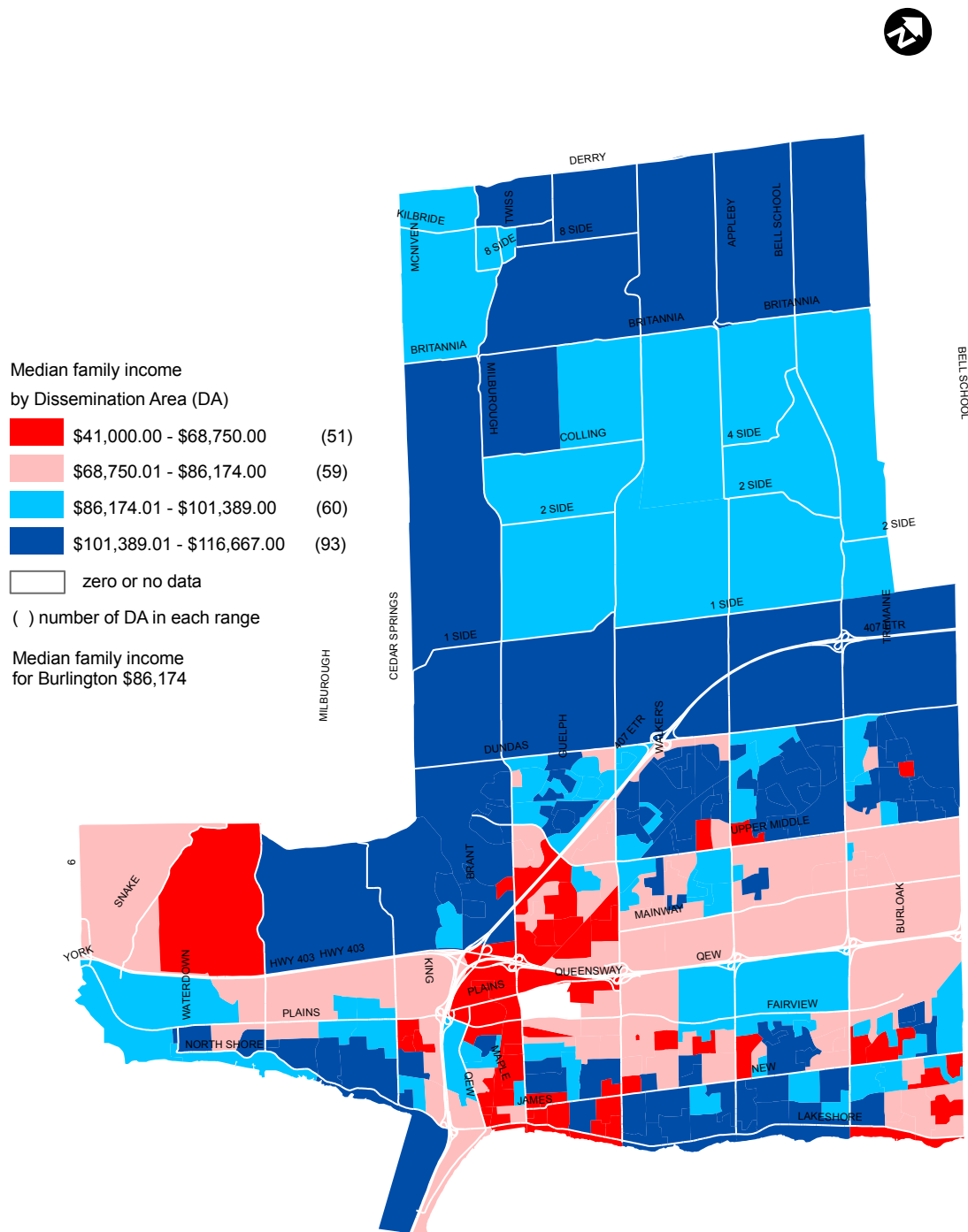


Source: Statistics Canada, 2001 & 2006 Censuses

Map 2 shows the geographic distribution of median family income by Dissemination Area. To a great extent, the spatial pattern resembles that of the median individual income (Map 1). Of noticeable difference is in northern Burlington where one area shows low median individual income as well as high median family income. The disparity may be the result of small sample size.

Areas (shared in light and dark blue) with median incomes above that of the City are mostly located in the northern part of Burlington as well as along the lakeshore. Most areas (shade in light and dark red) with median family income below \$55,000 cluster around the central part of Burlington. Areas with high poverty rates may require more resources in physical and social infrastructure.

Map 2. Median Family Income by Dissemination Area, City of Burlington, 2005



Source: Statistics Canada, Cat. No. 94-581-X2006002

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3. Low Income and Poverty

Overshadowed by the affluence of the city as a whole, there are individuals, families and households living in low income or in poverty.

How is poverty measured? The Low Income Cut-off (LICO) established by Statistics Canada represents a widely recognized approach to estimating low income thresholds below which a family or an individual will likely spend 20% or more than average on food, shelter and clothing. Although, Statistics Canada maintains that LICO thresholds do not necessarily imply poverty, they have been generally accepted as measures of economic hardship faced by families and individuals. Community Development Halton uses LICO as one of our indicators of poverty.

The LICO thresholds are established by family size and degree of urbanization of the community. For example, a family of four living in Burlington with a total income of \$38,610 or less in 2005 is considered a low income family. A single person with an income of \$20,778 or less is living in poverty. Figure 5 shows the LICO thresholds for the City of Burlington. The data were collected during the 2006 Census and represent the 2005 household incomes.

For the first time, the 2006 Census collected information on the after-tax income of Canadians (total income from all sources minus income tax). After-tax income depicts more accurately the amount of money available for individuals and families to spend. However, for the purpose of this report, the before tax income data are used in order to facilitate comparisons with income data from earlier censuses.

Figure 5. LICO Thresholds for the City of Burlington (before tax), 2005

Family Size	Low Income Cut-off
1 person	\$20,778
2 persons	\$25,867
3 persons	\$31,801
4 persons	\$38,610
5 persons	\$43,791
6 persons	\$49,389
7 + persons	\$54,987
<i>Source: Statistics Canada</i>	

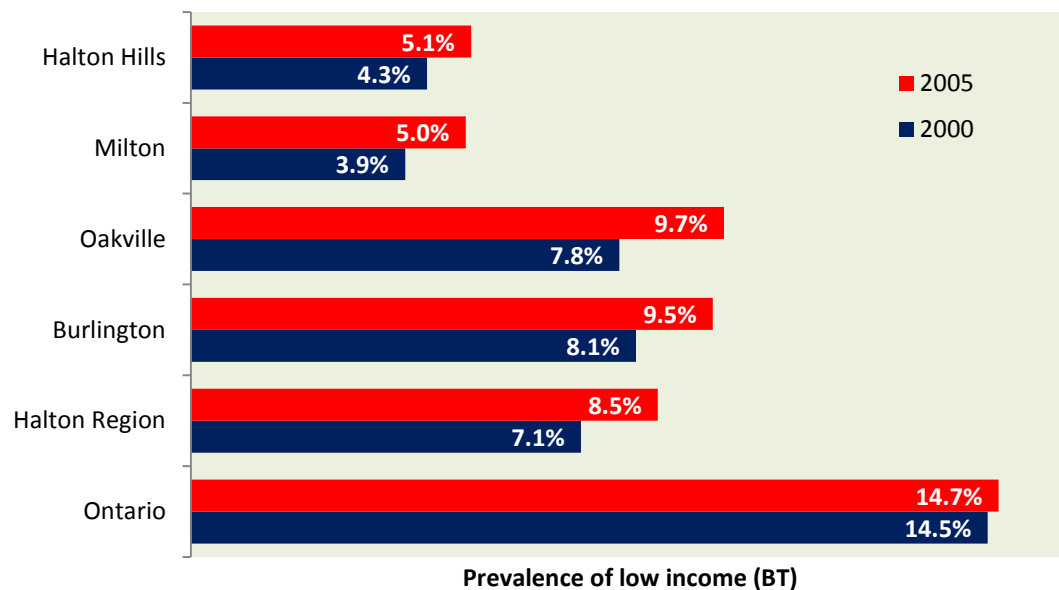
3.1 Low Income Individuals

In 2006, there were about 15,000 low income residents in Burlington representing about 9.5% of the total population. Nearly one in ten persons lived in low income. Between 2001 and 2006, the number of low income individuals has increased by 25% compared to 9% for the total population.

The term “prevalence of low income” is used to denote the percentage of individuals, households or families with incomes below the LICO thresholds.

As shown in Figure 6, Burlington had the highest prevalence of low income for individuals among the local municipalities in Halton Region in 2000. In 2005, it was overtaken slightly by the Town of Oakville by 0.2 percentage point but its rate was still higher than the regional average of 8.5%.

Figure 6. Population by Prevalence of Low Income, Halton Region, 2000 and 2005



Source: Statistics Canada, 2001 & 2006 Censuses

The prevalence of low income also varies among population groups as illustrated in Figure 7. Their poverty rates also changed between 2000 and 2005.

Figure 7. Prevalence of Low Income, Selected Population Groups, City of Burlington, 2000 and 2005

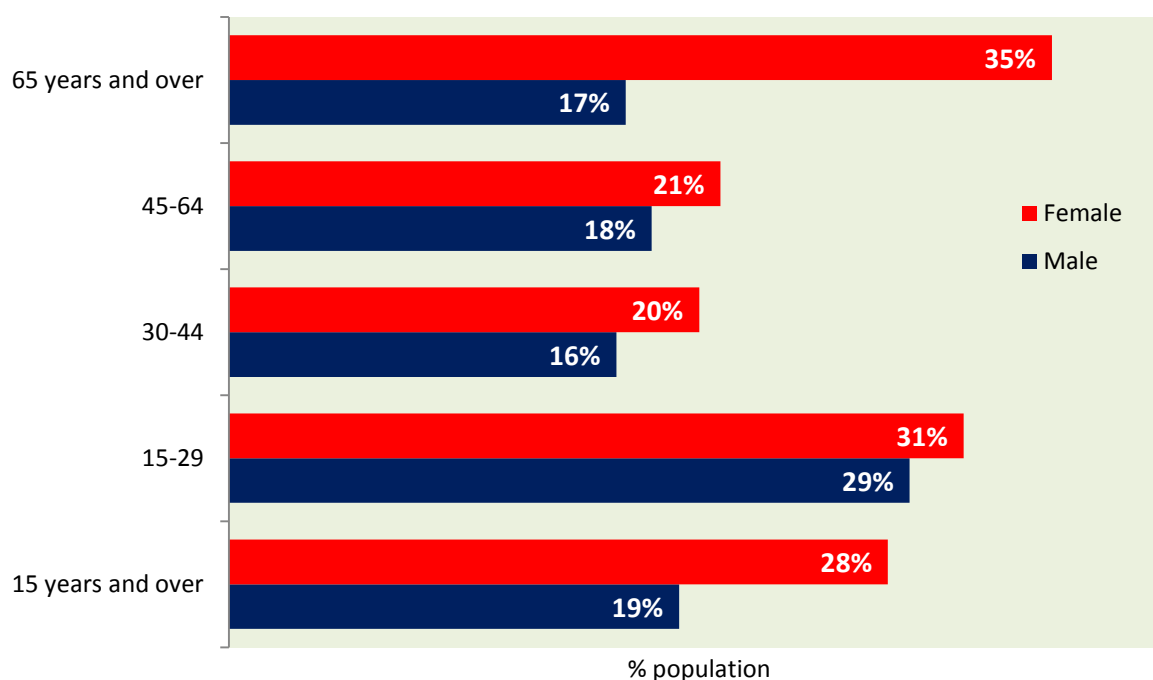
	Prevalence of low income	
	2005	2000
Total Population	9.5%	8.1%
Recent immigrants	31.0%	23.0%
Unattached individuals	24.4%	27.0%
Racialized groups	19.0%	14.7%
Persons with disabilities	14.0%	15.0%
Seniors	10.9%	14.3%

Recent immigrants have the highest prevalence of low income in 2005. Their poverty rate jumped from 23% in 2000 to 31% in 2005. The rate is three times higher than that of the general population. Three in ten recent immigrants live in poverty.

Although the prevalence of low income for the unattached individuals has decreased since 2000, there is still about one-quarter of this group who live in poverty. As shown in Figure 8, two age groups (aged 15-29 and 65 years and over) are financially worse off than the rest of the unattached population. Regardless of age, there are higher proportions of women in low income than men.

The poverty gender gap is widest among unattached seniors. Unattached female seniors are twice as likely to be living in low income as their male counterparts. Over one-third of female seniors live in poverty and many of them live alone.

Figure 8. Prevalence of Low Income for Unattached Individuals by Age Groups and Sex, City of Burlington, 2005



Source: Statistics Canada, 2006 Census

Similar to the recent immigrant population, the racialized population also experienced an increase in prevalence of low income between 2000 and 2005. Their poverty rate is twice higher than that of the general population. Almost one in five persons from racialized groups lived in poverty.

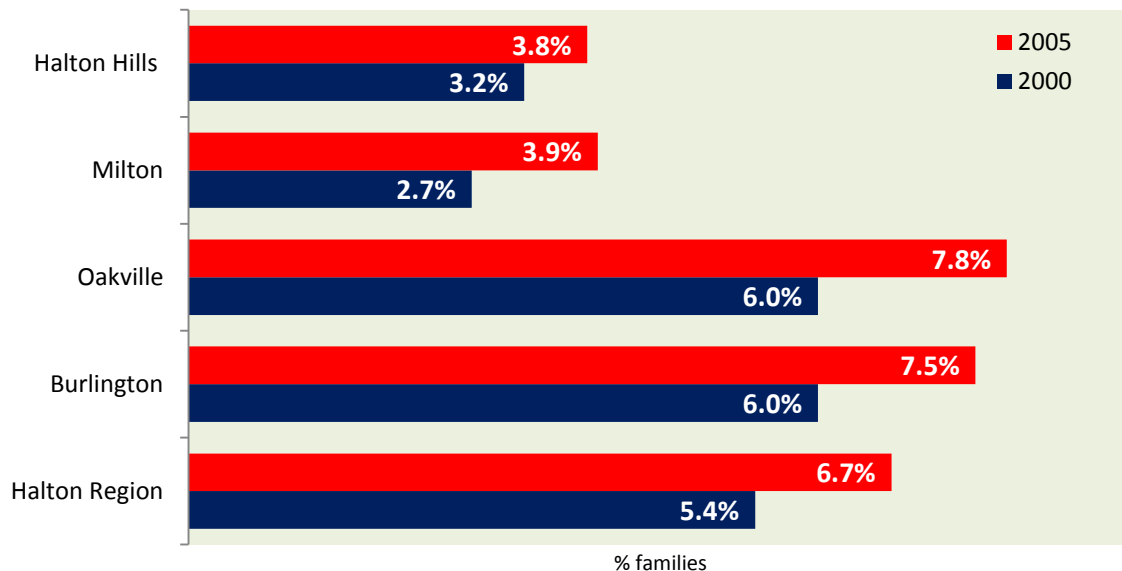
The City of Burlington has a larger share of the low income senior population than other municipalities in Halton. In 2006, it had 46% of the region's seniors but 54% of the low income senior population. Over one in ten seniors live in poverty.

However, the prevalence of low income for seniors has dropped significantly from 14.3% in 2000 to 11% in 2005. There are a number of factors that drive this decrease. Government transfer in the form of various income supplement programs is a major factor. More female seniors have been in the labour force and are receiving government and private pension benefits. Also, the number of working seniors is growing.

3.2 Low Income Families

In 2005, there were over 3,500 low income families in Burlington, representing about 7.5% of all families compared to 6% in 2000 (Figure 9). Although, the percentage is below the provincial average of 11.7%, the number of low income families has increased over 30% since 2001. The increase has outpaced that of all families by more than three times.

Figure 9. Proportion of Low Income Families, Halton Region, 2000 and 2005



Source: Statistics Canada, 2001 & 2006 Censuses

Burlington accounts for 38% of all families in the region but has 42% of its low income families.

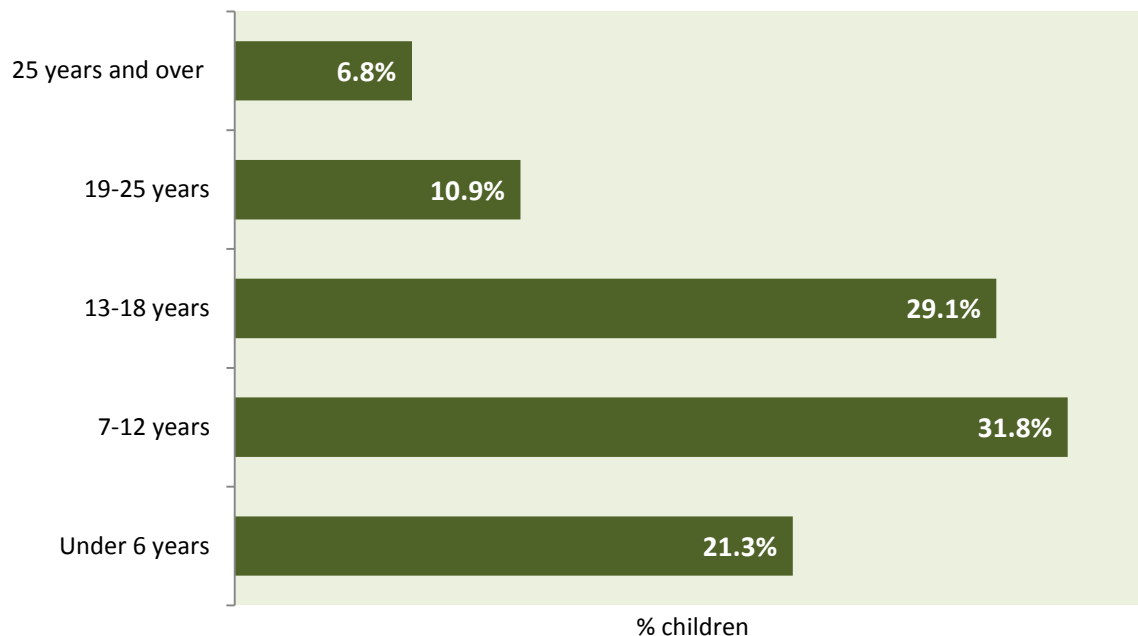
Couple families have a higher likelihood of having two wage earners and therefore are less likely to be low income than single parent families. In Burlington, about 5% of all couple families are low income families. However, the prevalence of low income for female lone-parent families is about 4.5 times higher than that of couple families. One in four single mother families live in poverty. Low income male lone-parent families which are smaller in number compared with couple and single mother families represent about 10% of all single father families.

3.3 Child Poverty

Poverty has significant negative impacts on children. Children living in low income families are most likely to be deprived of the basic necessities of life. They most likely live in inadequate housing, eat poor nutritious meals and are less likely to participate in recreational activities or enjoy other things accessible to their more well-to-do peers. These detrimental experiences will influence their learning skills, success in school, health, self-esteem and social and economic participation in society as they mature into adults.

In Burlington, the poverty rate for children living at home is about 9.5%. As shown in Figure 10, the majority (82%) of the children are under the age of 18. One in five is under 6 years.

Figure 10. Proportion of Children in Low Income Families by Age Groups, City of Burlington, 2005

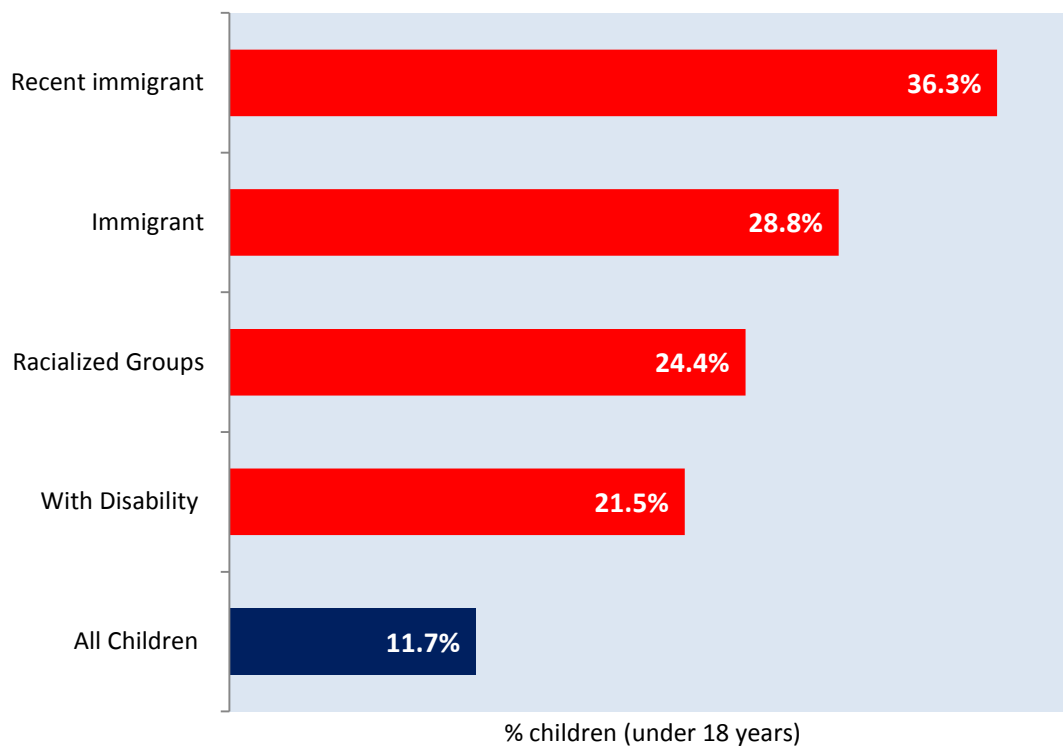


Source: Statistics Canada, 2006 Census

Children are poor because their parents are poor. Children (under 18 years) living in families headed by parents of the selected population groups are more likely to live in poverty. These selected population groups are immigrant children, children with a disability and children from racialized groups. As illustrated in Figure 11, recent immigrant children fared the worst financially. More than one in three children is deprived of many necessities of life. Their recent immigrant parents earned only half of the income made by the general population and experienced twice the unemployment rate. Children with disabilities also fare poorly, with one in 5 (21.5%) experiencing poverty.

Children from racialized groups make up about 13% of all children (under 18 years) in Burlington, but they account for 27% of all low income children. One in four of children from racialized groups live in poverty.

Figure 11. Child Poverty among Selected Population Groups, City of Burlington, 2005



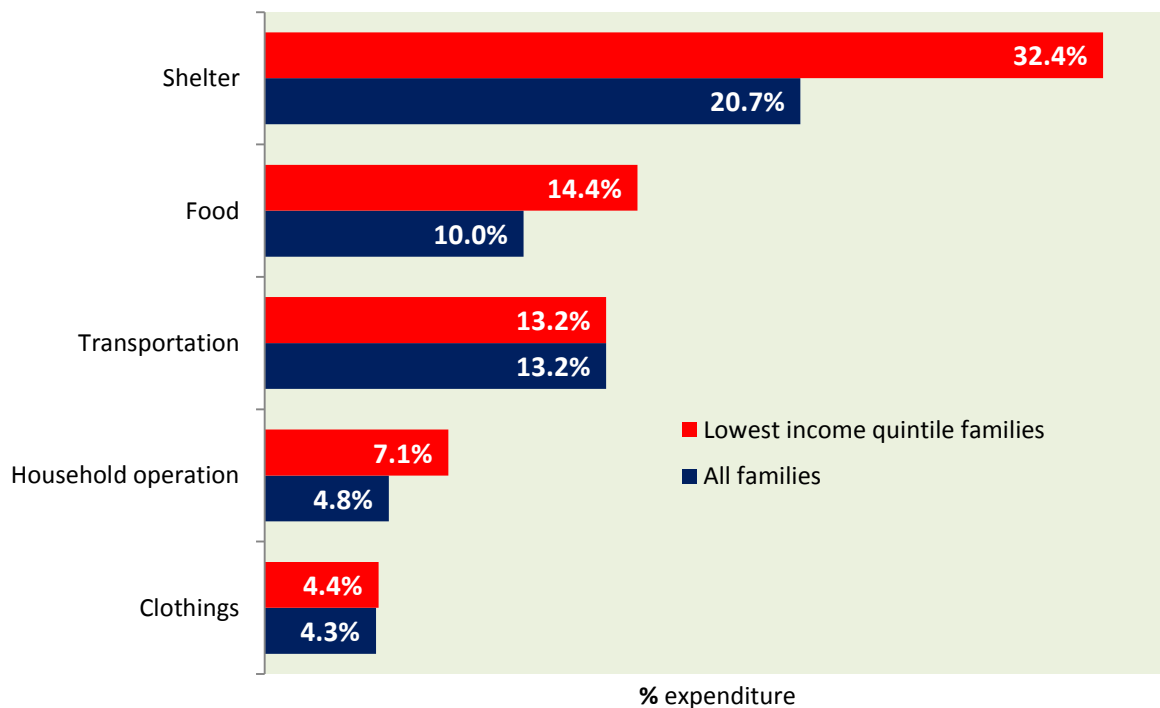
Source: Statistics Canada, 2006 Census

3.4 Being Poor in Burlington

What is life like for a family living in poverty in Burlington? How do the numbers add up? The annual Survey of Household Spending (SHS) conducted by Statistics Canada provides important data for us to understand the spending pattern of low income families.

The SHS divided families into quintiles according to their income. Each quintile represents 20%, or one fifth of all families. The lowest income quintiles families are those at the bottom 20% of the income scale. In Ontario, as shown in Figure 12, these families spent over 70% of their incomes on five major household expenses (shelter, food, transportation, household operation and clothing) compared to 53% spent by all families. Shelter cost is by far the most expensive expense which consumed almost one-third of their income.

Figure 12. Proportion of major household expenditure, Ontario, 2006



Source: Statistics Canada, Survey of Household Spending, 2006

In Burlington, a family of four (1 child in school and 1 child requires child care) with one parent working full-time and another working part time both at minimum wage would have an after-tax income of \$33,034 (including a Child Tax benefit of \$6,698). Figure 13 shows their major household expenditure.

To rent a 3 bedroom apartment in Burlington would cost about \$14,250¹⁴ which accounts for 43% of the after-tax income.

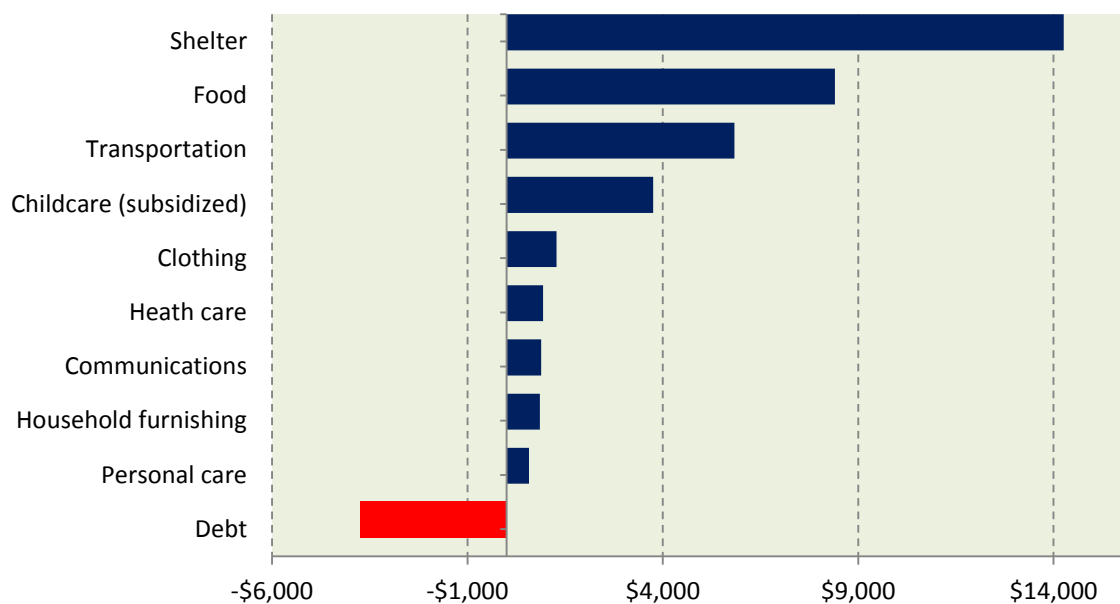
To feed a family of four in Burlington would cost about \$8,400¹⁵ representing 25% of the after-tax income.

To get to and from work, the grocery store or to childcare, it would cost about \$5,800¹⁶ which would include owning and maintaining one used car and a bus pass for another adult in the family. The transportation cost accounts for 17% of the income.

To place the two children in subsidized early childhood education and before and after school programs would cost another \$3,750.

Based on the SHS data, it would cost \$1,283 to provide clothing for the families in all seasons.

Figure 13. Major Household Expenditure, Low Income Families, City of Burlington, 2008



Source: Statistics Canada, Halton Region

In order to pay for all the daily basics and necessities, the family of four would need an extra **\$3,740 per year**. They would either be forced into debt or have to give up some of the essentials. How would that family handle unexpected costs or emergencies? How would they send their children to school activities and trips? A video has been produced called ***Being Poor***

¹⁴ Halton Region, Halton Region Health Department, *The Price of Eating Well*, 2009

¹⁵ *ibid*

¹⁶ Statistics Canada, *Spending Patterns in Canada, 2008* (Detailed table 2, 62FPY0032XDB)

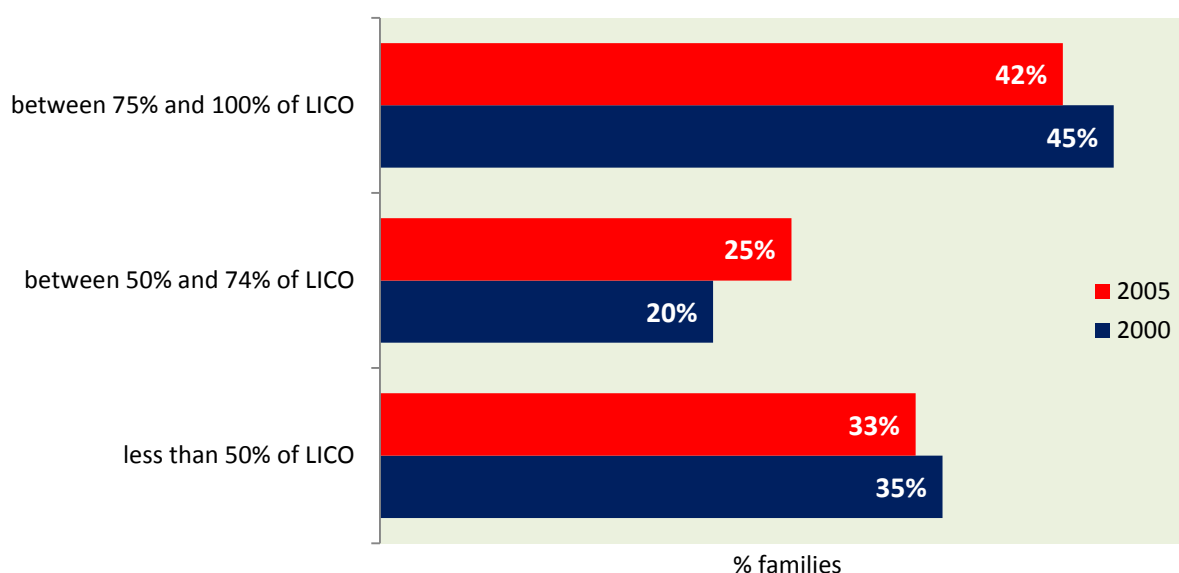
in Halton, which portrays the challenges of those living in poverty. It can be viewed at Community Development Halton's website (www.cdhalton.ca).

3.5 Depth of Poverty

Although the LICO threshold determines the number of low income families, many of those families have to live with incomes far below the low income threshold. Statistics Canada provides data on the number of low income families by three categories below the poverty line (less than 50%, between 50% and 74% and between 75% and 100% of LICO threshold). For example, families who lived at 50% below LICO were financially worse off than those at between 75% and 100% of LICO.

As illustrated in Figure 14, over half of the low income families in both 2000 and 2005 lived at less than 75% of the LICO threshold and about one-third of the low income families at the less than 50% level. These families are at serious financial distress and facing insurmountable challenges to break the poverty cycle.

Figure 14. Proportion of Low Income Families by Percentages Below LICO Threshold, City of Burlington, 2000 and 2005



Source: Statistics Canada, 2001 and 2006 Censuses

3.6 The Geography of Poverty

In addition to its social dimension, poverty also has a spatial dimension within a community. Where do low income people live in a community? Do they concentrate in certain areas/neighbourhoods? Are there any high poverty areas in the community? What are the

social circumstances of the residents in poor areas/neighbourhoods? Which population groups most likely reside in high poverty areas?

The geography of poverty can have significant implications. For example, high concentration poverty areas can lead to social and economic clustering and marginalization. Areas with high poverty rates may require more resources in physical and social infrastructure. An Ontario-based study has found that children living in poor neighbourhoods have higher rate of injuries than children living in the wealthiest neighbourhood¹⁷.

The poverty data at the Dissemination Area (DA) level provides an opportunity to study poverty at a very detailed level of geography. Vibrant Communities Saint John¹⁸ used census data at the DA level to identify new areas of concern within five priority neighbourhoods. The City of Calgary conducted a detailed assessment of neighbourhood poverty rates by analyzing census data at the DA level¹⁹. It is important to note that the identification of poor areas is not intended to stigmatize areas or their residents but rather highlight their presence and the need for actions.

The Canadian Council on Social Development (CCSD) in its report on Urban Poverty in Canada, 2000²⁰ used a classification system to identify poverty in urban neighbourhoods. Neighbourhoods are grouped into one of the five poverty levels, ranging from 0% to over 40% of the population living below the LICO thresholds as shown in Figure 15.

Figure 15. Poverty Rate and Area Type

Poverty rate	Area type
40% or more	Very high poverty
30 - 39.9%	High poverty
20 - 29.9%	Moderate high poverty
10 - 19.9%	Moderate poverty
0.1 - 9.9%	Low poverty
0%	no poverty

¹⁷ Faelker, T., Pickett, W. & Brison, R.J. (2000). "Socioeconomic differences in childhood injury: A population based epidemiologic study in Ontario, Canada." *Injury Prevention*, 6, pp.203-208.

¹⁸ Vibrant Communities Saint John, Poverty and Plenty II, A Statistical Snapshot of the Quality of Life in Saint John, Saint John, New Brunswick, November, 2008

¹⁹ The City of Calgary, Threshold for locating affordable housing, applying the literature to the local context, Community and Neighbourhood Services, Social Research Unit, December, 2005

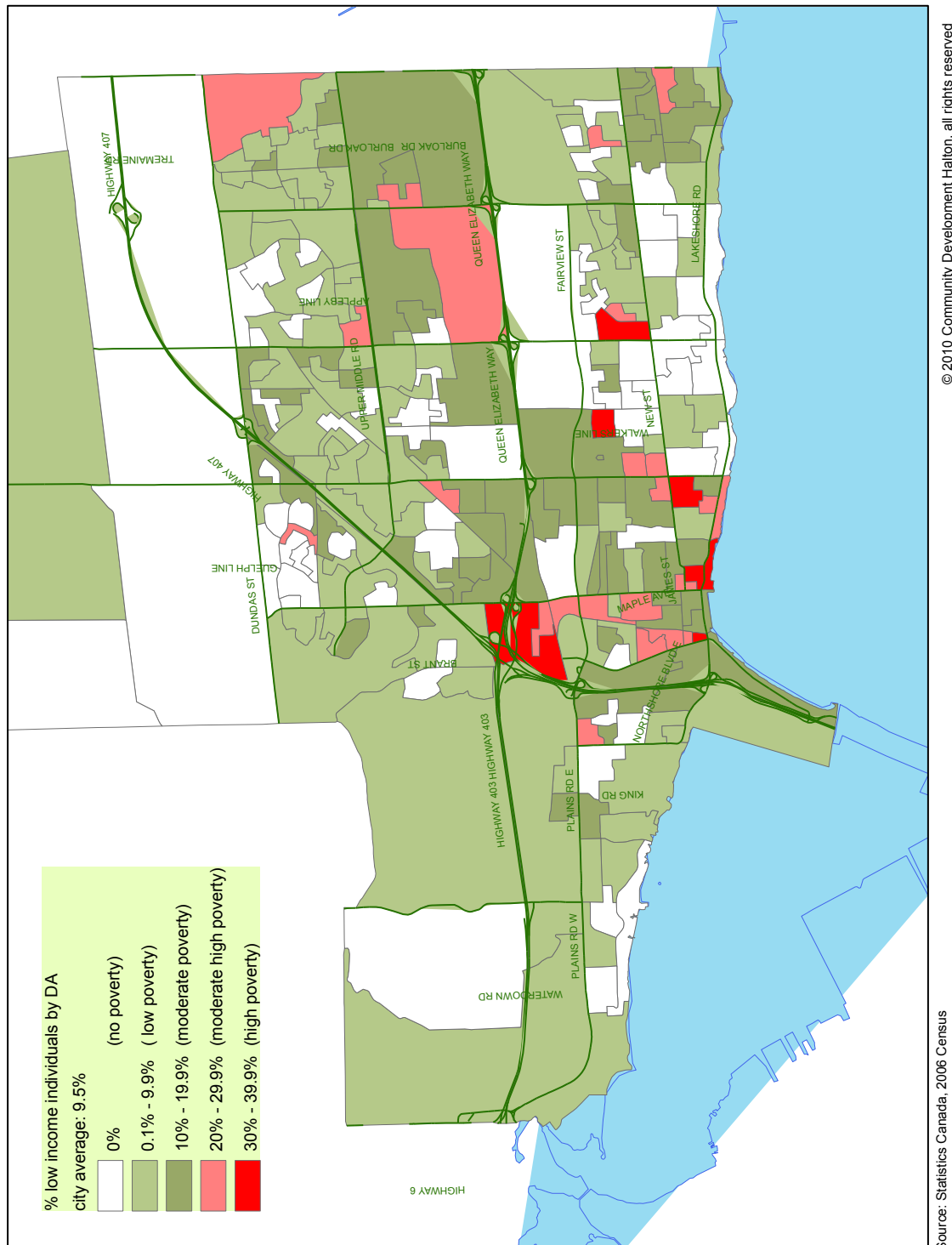
²⁰ Canadian Council on Social Development, Poverty by Geography: Urban Poverty in Canada, 2000, Ottawa, 2007

In 2006, there were no DAs in Burlington belonging to the very high poverty category (i.e. poverty rate at 40% or more). About 10% or 26 DAs (coloured in shades of red) fall into the moderate high and high poverty categories as shown in Map 3. About one-third of all low income residents live in the moderate high and high poverty areas.

There are six high poverty DAs (shaded in dark red). One in three residents in the high poverty areas live in poverty. Low income persons were three times more likely to live in the high poverty DAs than the rest of the population.

Some of the common socio-demographic characteristics of the high poverty areas are: high percentages of rental dwellings; lone parent families and low income unattached individuals as well as above city average for persons from racialized groups.

Map 3. Proportion of low income individuals by Dissemination Area, City of Burlington, 2005



4. Conclusion

This report has highlighted some of the income and poverty trends in the City of Burlington. The impacts of poverty are felt across the general population and more severely by population groups who have been disadvantaged historically. Low income families and individuals cannot afford all the basics and necessities of life. They are forced to choose among essentials such as food, electricity, shelter or clothing on a daily basis. Many of them fall through the government's safety net and have to turn to the nonprofit community service sector for help. Their financial circumstances were made worse with the recent economic downturn.

In addition to its social dimension, poverty also has a spatial dimension within the community. A number of areas (Dissemination Areas) experience high poverty rate where one in three residents live in poverty. Low income persons are three times more likely to live in the high poverty areas than the rest of the population. Areas with high poverty rates may require more resources in physical and social infrastructure.

It is hopeful that this report will inform the public, government, funders and social service agencies and stimulate discussions about poverty and its reduction and eradication in our community.

Glossary

Disability

Refers to difficulties with daily activities and the reduction in the amount or kind of activities due to physical or mental conditions or health problems.

Immigration: Immigrant Population

Refers to persons who are, or have been, landed immigrants in Canada. A landed immigrant is a person who is not a Canadian citizen by birth, but who has been granted the right to live in Canada permanently by Canadian immigration authorities. Some immigrants have resided in Canada for a number of years, while others are recent arrivals. Most immigrants are born outside of Canada, but a small number were born in Canada.

Income: Average Income of Individuals

Average income of individuals refers to the weighted mean total income of individuals 15 years of age and over who reported income for 2005. Average income is calculated from unrounded data by dividing the aggregate income of a specified group of individuals (e.g. males 45 to 54 years of age) by the number of individuals with income in that group.

Average and median incomes and standard errors for average income of individuals will be calculated for those individuals who are at least 15 years of age and who have an income (positive or negative). For all other universes, these statistics will be calculated over all units whether or not they reported any income.

Income: Median Income of Individuals

The median income of a specified group of income recipients is that dollar amount which divides their income size distribution ranked by size of income, into two halves, i.e., the incomes of the first half of individuals are below the median, while those of the second half are above the median. Median income is calculated from the unrounded number of individuals (for example, males 45 to 54 years of age) with income in that group.

Income: Median Income of Families

The median income of a specified group of families (census/economic), persons 15 years of age and over not in families, or households is that amount which divides their income size distribution ranked by size of income, into two halves. That is, the incomes of the first half of the families, persons 15 years of age and over not in families, or households are below the median, while those of the second half are above the median. Median incomes of families (census/economic), persons 15 years of age and over not in families, or households are normally calculated for all units in the specified group, whether or not they reported income.

Income: Composition of Income

The composition of the total income of a population group or a geographic area refers to the relative share of each income source or group of sources, expressed as a percentage of the aggregate income of that group or area.

Income: Employment Income

Refers to total income received by persons 15 years of age and over during calendar year 2000 as wages and salaries, net income from a non-farm unincorporated business and/or professional practice, and/or net farm self-employment income.

Income: Incidence of Low Income

The incidence of low income is the proportion or percentage of economic families or unattached individuals in a given classification below the low income cut-offs. These incidence rates are calculated from unrounded estimates of economic families and unattached individuals 15 years of age and over.

Income: Income Status

Refers to the position of an economic family or an unattached individual 15 years of age and over in relation to Statistics Canada's low income cut-offs (LICOs).

Income: Low Income Cut-Offs (LICOs)

Measures of low income known as low income cut-offs (LICOs) were first introduced in Canada in 1968 based on 1961 Census income data and 1959 family expenditure patterns. At that time, expenditure patterns indicated that Canadian families spent about 50% of their income on food, shelter and clothing. It was arbitrarily estimated that families spending 70% or more of their income on these basic necessities would be in "straitened" circumstances. With this assumption, low income cut-off points were set for five different sizes of families.

Subsequent to these initial cut-offs, revised low income cut-offs were established based on national family expenditure data from 1969, 1978, 1986 and 1992. These data indicated that Canadian families spent, on average, 42% in 1969, 38.5% in 1978, 36.2% in 1986 and 34.7% of their income on basic necessities. By adding the original difference of 20 percentage points to the basic level of expenditure on necessities, new low income cut-offs were set at income levels differentiated by family size and degree of urbanization. Since then, these cut-offs have been updated yearly by changes in the consumer price index.

The following is the 2005 matrix of low income cut-offs.

Low Income Cut-offs (1992 base) before tax, 2005

Size of area of residence					
Family size	500,000 or more	100,000 to 499,999	30,000 to 99,999	Less Than 30,000	Rural areas
1	20,778	17,895	17,784	16,273	14,303
2	25,867	22,276	22,139	20,257	17,807
3	31,801	27,386	27,217	24,904	21,891
4	38,610	33,251	33,046	30,238	26,579
5	43,791	37,711	37,480	34,295	30,145
6	49,389	42,533	42,271	38,679	33,999
7+	54,987	47,354	47,063	43,063	37,853

Racialized Groups (Visible Minorities)

In this text, we use the term 'racialized group' rather than the Statistics Canada term 'visible minority'. Unlike visible minority, the term racialized group makes reference to systemic processes through which individuals and groups are targeted, excluded and discriminated against as communities of colour. For these reasons, we use the term racialized group.

The Statistics Canada definition of visible minority refers to the visible minority group to which the respondent belongs. The Employment Equity Act defines visible minorities as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.