



## Report Card on Poverty – Oakville Families

---

May 2011



© 2011 Community Development Halton, all rights reserved.

Copies of this document may be reproduced non-commercially for the purpose of community awareness or community development with appropriate recognition to Community Development Halton (CDH). In all other cases, permission must be sought from CDH.

Electronic copies of this report are available from:

Community Development Halton  
860 Harrington Court  
Burlington, ON  
L7N 3N4  
Phone: (905) 632-1975  
Fax: (905) 632-0778  
Email: [office@cdhalton.ca](mailto:office@cdhalton.ca)  
Web: [www.cdhalton.ca](http://www.cdhalton.ca)



A United Way Member Agency

**Research Team**

Dr. Joey Edwardh, Executive Director  
Ted Hildebrandt, Director of Social Planning  
Richard Lau, Research Associate

# Introduction

The Low Income Cut-Off (LICO) established by Statistics Canada is a widely recognized approach to estimating the low income threshold below which a family or an individual will likely spend 20% or more than the average on food, shelter and clothing.

The LICO thresholds take into account family size and the degree of urbanization of the community. For example, a family of four living in the Town of Oakville with a total income of \$38,610 or less in 2005 is considered as low income family.

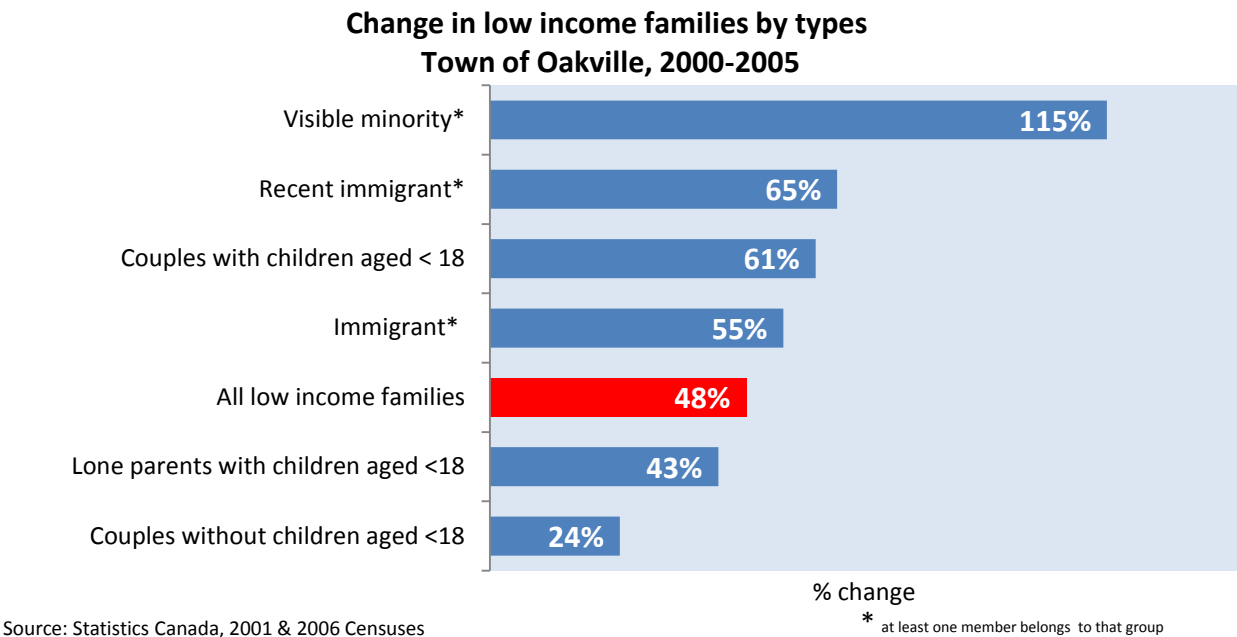
This Report Card on Poverty looks at the changes in low income families in the community between two census periods (2001 and 2006).

Although LICO data are available for before tax and after tax, in order to facilitate comparison between 2001 and 2006 censuses, LICO (before tax) data are used.

# Low income families grew three times faster than all families

In 2000, there were about 2,430 low income families in Oakville representing about 6% of all families. Within a span of five years, the number of low income families has jumped by 48% to 3,600 compared to a 14% increase for all families. In 2005, 7.9% of all Oakville families were low income. This would be before the recession occurred

Among the various types of low income families, visible minority families (i.e. families with at least one visible minority member) experienced the highest increase. The number of visible minority low income families has more than doubled between 2000 and 2005. The other types of families with growth rate higher than the average (48%) include: recent immigrant families (i.e. families with at least one member who immigrated to Canada between 2001 and 2006), couples with children aged under 18 and immigrant families. These figures do not capture the impact of the recession on families.



# More than 4 in 10 low income families are visible minority families

Visible minority families account for about one fifth (19.8%) of Oakville’s families but they are, similar to the visible minority population, over represented in low income families. In 2000, low income visible minority families accounted for 29% of all low income families in Oakville. In 2005, the proportion of low income visible minority families increased to 42.5%.

# Over 40% of low income families have only part-time or unemployed workers

On average, low income families have fewer income earners than families not in low income. In addition to the number of income earners, the number of full time or part time workers can also have a bearing on the earning power of the families.

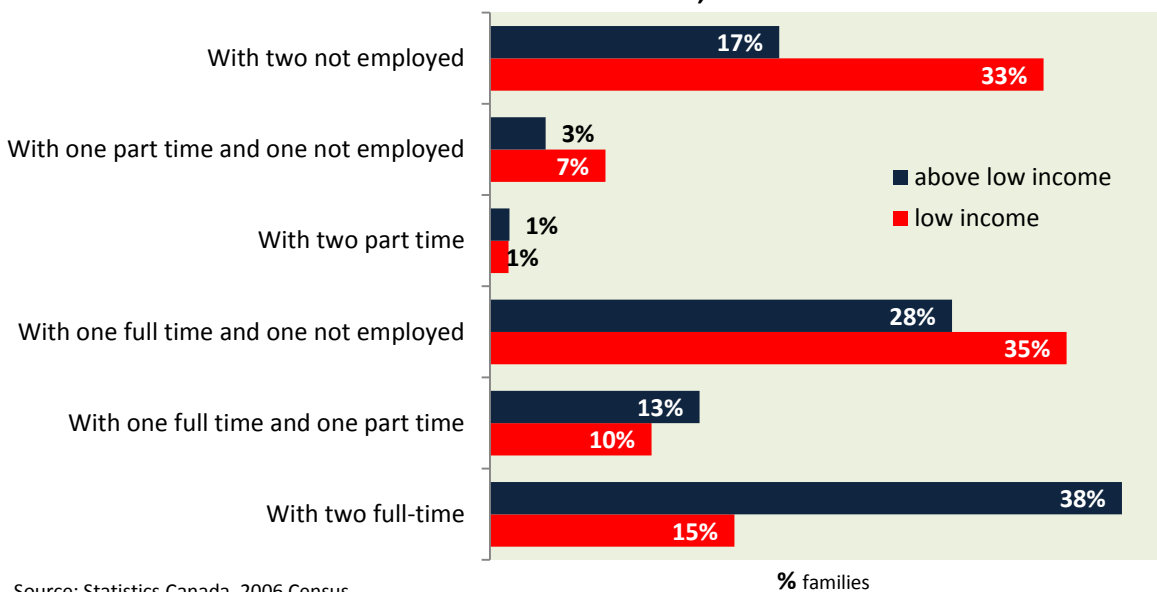
In 2005, about one in seven (15%) low income families had two full time workers (spouse/head) who

worked more than 30 hours per week. This proportion is less than half of the above low income families. About one-third (35%) of the low income families had one full time worker. Almost the same proportion (32%) of the low income families with both spouse/head not being employed. About 7% of the low income families were headed by one part time worker.

# 1 in 4 female lone-parent families live in poverty

Couple families have a higher likelihood of having two wage earners and therefore are less likely to be low income than single parent families. The incidence of low income for female lone-parent families is four times higher than that of couple families. In the Town of Oakville, 25% of female lone-parent families live in poverty. Low income male lone-parent families represent about 10% of all male lone-parent families.

Proportion of Families by Labour Force Status of Spouse/Head  
Town of Oakville, 2005



Source: Statistics Canada, 2006 Census

# Housing Affordability

The proportion of total income spent by each household on shelter is generally accepted as a measure of housing affordability. For tenant households, shelter costs include rental payments and utilities (electricity, fuels, water and other municipal services). For households that owned, shelter costs include mortgage payments, property taxes, condominium fees and utilities

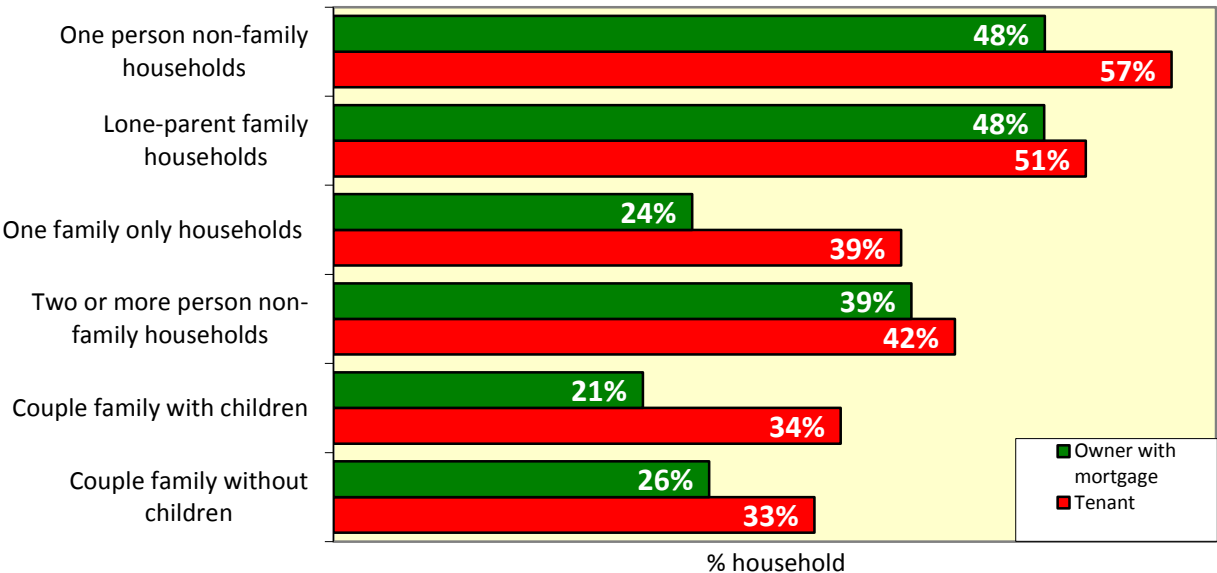
According to the Canada Mortgage and Housing Corporation (CMHC), the standard for affordable shelter cost is 30% of gross household income. However, there are households that choose to spend 30% or more of their household income.

Housing affordability differs between tenant and owner households and varies among household types. A higher percentage of tenant households spent 30% or more of their household income on shelter than their owner counterparts.

Households with more than one wage earner fare better than those with only one (e.g. lone-parent family household, one person household, seniors living alone). About half of the one person households spent over 30% of income on shelter regardless of their tenure status. Lone-parent family households fall into the same category. Over half (51%) of all lone-parent tenant households spent over 30% of their total household income on rents and utilities as compared to one-third (34%) of couple family with children.

About 37% of the tenant households in Oakville spent 30% or more of their income on rents and utilities. As the map on the following page illustrates, there are census tracts where more than half of the tenant households (shaded in red) spent 30% or more of their income on shelter. A census tract as established by Statistics Canada is a relatively permanent area with a population range of 2,500 to 8,000 and the greatest possible social and economic homogeneity.

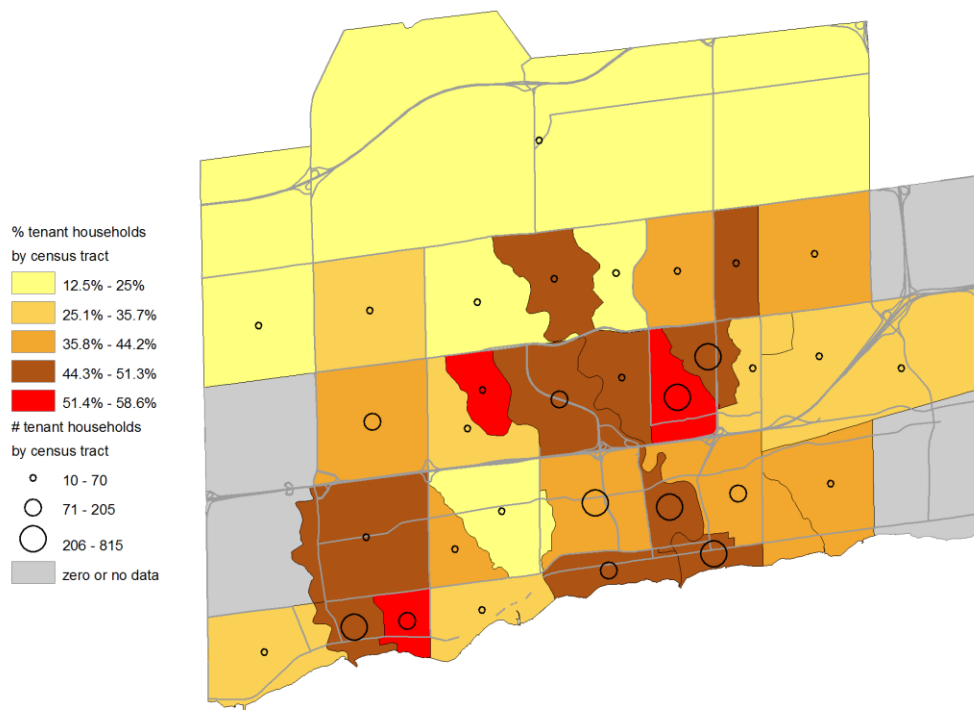
**Housing Affordability\* by Household Type and by Tenure  
Oakville, 2006**



Source: Statistics Canada, 2006 Census

\* spent 30%+ of household income on shelter

## Tenant Households Spending 30%+ of Total Income on Shelter Oakville, 2006



Source: Statistics Canada, 2006 Census

© 2011 Community Development Halton, all rights reserved

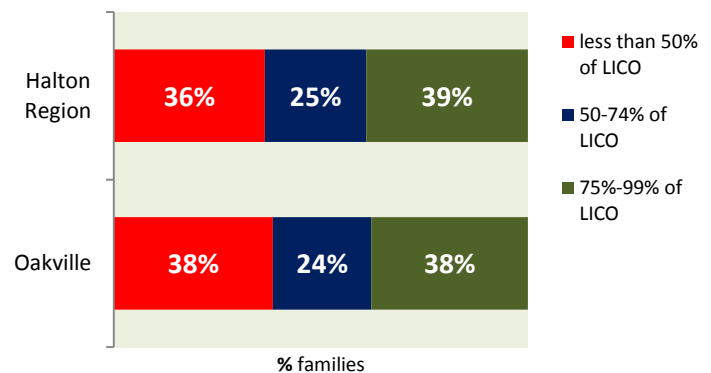
## Depth of Poverty

The incidence of low income (e.g. percentage of low income families) tells only part of the story. It counts the number of families living below the poverty line (LICO threshold) but does not capture the depth of poverty. Many families live far below the poverty line. Special tabulations from Statistics Canada group low income families into three categories by percentages below the LICO thresholds. The three groups are: i) less than 50% of LICO, ii) 50% to 74% of LICO and iii) 75% to 99% of LICO. Families in the “less than 50% of LICO” can be considered as being extreme low income.

In 2005, nearly two in five (38%) low income families were extreme low income families. For a family of four, it means that they have to survive with an annual total income of less than \$20,000 (the LICO threshold is \$38,610).

The Town of Oakville, which accounted for 44% of the low income families in Halton, had 46% of the extreme low income families. There are five Census Tracts in Oakville with 90 to 100 extreme low income families.

Proportion of Low Income Families by Percentage of LICO threshold, 2005



Source: Statistics Canada, 2006 Census

## Being Poor in Oakville

Overshadowed by Halton as an affluent community, there are thousands of families and individuals living in low income or poverty. They do not have sufficient financial resources for basic needs and necessities and have to make difficult choices on a daily basis.

What is life like for a family living in poverty in Oakville? 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 divides families into quintiles according to their income. Each quintile represents 20%, or one

fifth, of all families. The lowest income quintile families are those at the bottom 20% of the income scale. In Ontario, 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 highest expense which consumed almost one-third of their income.

In Oakville, 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).

Extreme Low Income Families (below 50% LICO)  
by Census Tract in Oakville, 2005

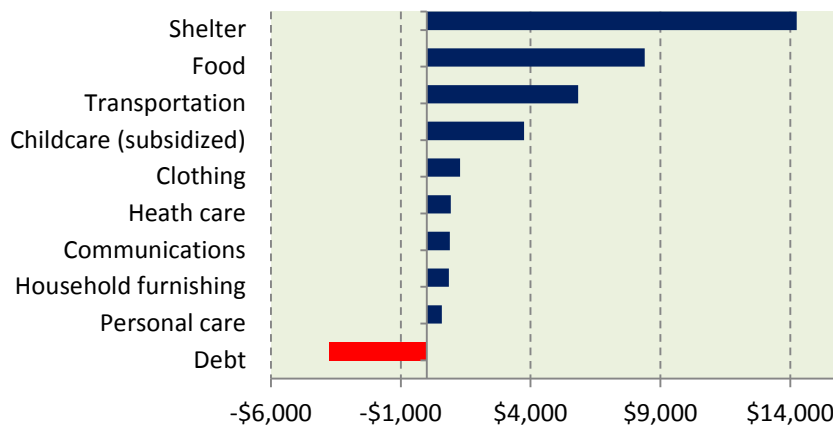


Source: Statistics Canada, 2006 Census

© 2011 Community Development Halton, all rights reserved



### Major Household Expenditures, Low Income Family, Halton Region, 2008



Source: Statistics Canada, Halton Region

- To rent a 3 bedroom apartment in Oakville would cost about \$14,250<sup>1</sup> which accounts for 43% of the after-tax income.
- To feed a family of four in Oakville would cost about \$8,400<sup>2</sup> representing 25% of the after-tax income.
- To get to and from work, to the grocery store and to childcare would cost about \$5,800<sup>3</sup> including 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.

<sup>1</sup> Halton Region, Halton Region Health Department, The Price of Eating Well, 2009

<sup>2</sup> Ibid.

<sup>3</sup> Statistics Canada, Spending Patterns in Canada, 2008 (Detailed table 2, 62FPY0032XDB)

In order to pay for all the daily basics and necessities, the family of four would need an extra \$3,740. 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?

## Conclusions

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 (census tracts) experience high poverty rates where one in six families live in poverty. 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.