



## Report Card on Poverty – Oakville Newcomers

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# 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, in 2005, a single person living in the Town of Oakville with an income of \$20,778 or less is living in poverty.

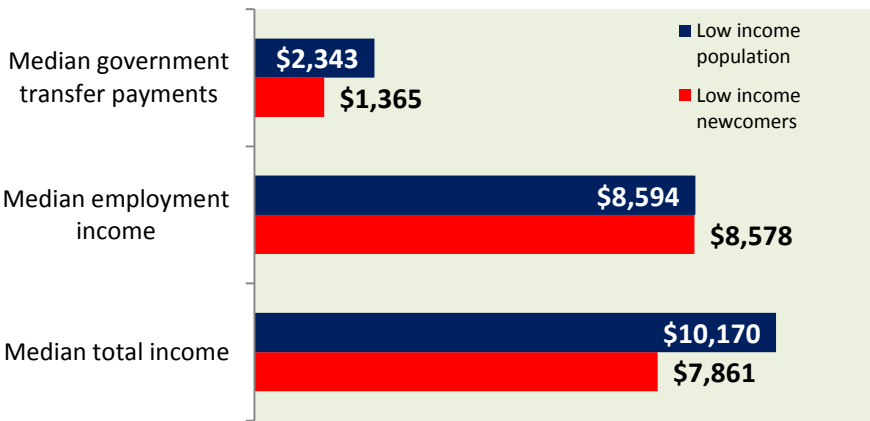
(head of household) are considered as recent immigrant/newcomer families.

## Three in 10 newcomers live in poverty

The median individual income of recent immigrants is about half that of the population even though they are better educated than their Canadian-born counterparts.<sup>1</sup> Recent immigrants face many challenges in the Canadian labour market, including insufficient Canadian job experience, lack of connections in the job market and foreign credentials that are not recognized.<sup>2</sup>

The unemployment rate for newcomers (11%) is more than double that for the general population (5.3%). Less than 13% of the newcomers had full time and full year employment<sup>3</sup> compared to over 40% for all workers. These figures do not capture the impact of the recession on newcomers.

Selected median incomes by low income populations  
Town of Oakville, 2005



Source: Statistics Canada, 2006 Census

This Report Card on Poverty looks at low income recent immigrants and their families in the community. Recent immigrants or newcomers, as defined by Statistics Canada, are immigrants who arrived in Canada during the five years prior to a census. For the 2006 Census, recent immigrants are those who migrated between 2001 and 2006. There is no generally accepted definition of a recent immigrant/newcomer family, for example, whether all family members or one or both parents have to be recent immigrants. For the purpose of this report card, families with at least one recent immigrant

<sup>1</sup> Statistics Canada, Earnings and Incomes of Canadians over the Past Quarter Century, 2006 Census, Catalogue no. 97-563-X

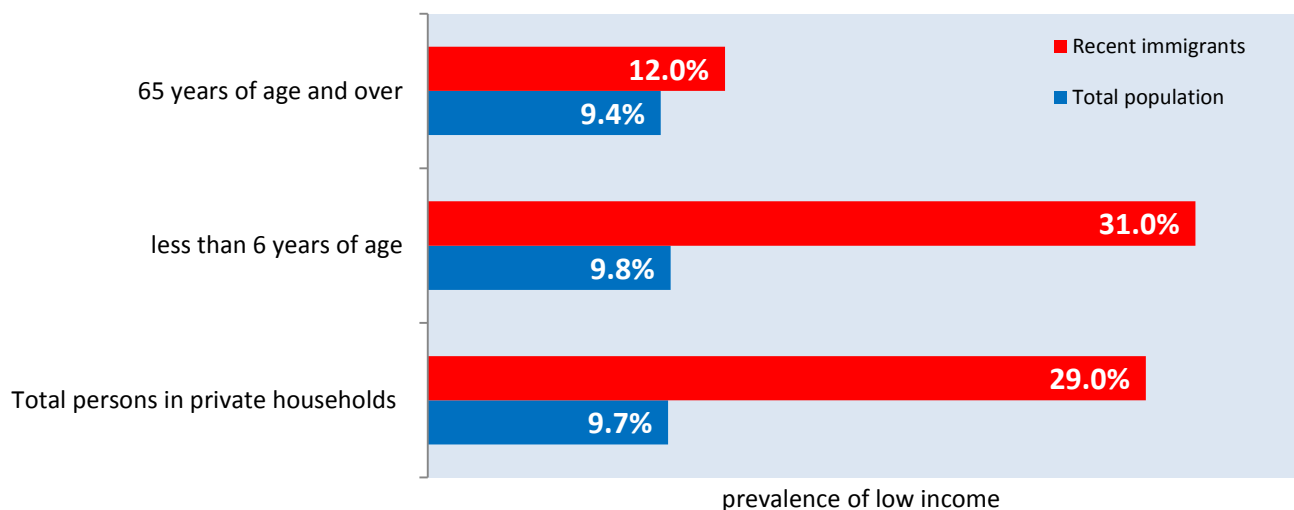
<sup>2</sup> Statistics Canada, Immigrants working in regulated occupations, Perspectives, February 2010, Catalogue no. 75-001-X

<sup>3</sup> Full time refers to 30 hours or more per week, full year refers to 49 to 52 weeks.

As the graph on the previous page demonstrates, the median employment income for the low income newcomers and the overall low income workers is almost same. However, the median total income for low income newcomers is 20% less than that of the low income population. They also receive far less government transfer payments which include Old Age Security, Guaranteed Income Supplement, Allowance and Allowances for the Survivor benefits from the Canada Pension Plan, benefits from Employment

Insurance, child benefits and other income from government sources. The prevalence of low income is about three times higher for newcomers than the general population. Three in 10 newcomers lived below the low income threshold. They accounted for 12% of Oakville's low income population. Children of recent immigrants also had the same high prevalence of low income, as children are poor because their families are poor. As well, more than 1 in 10 newcomer seniors are living in poverty.

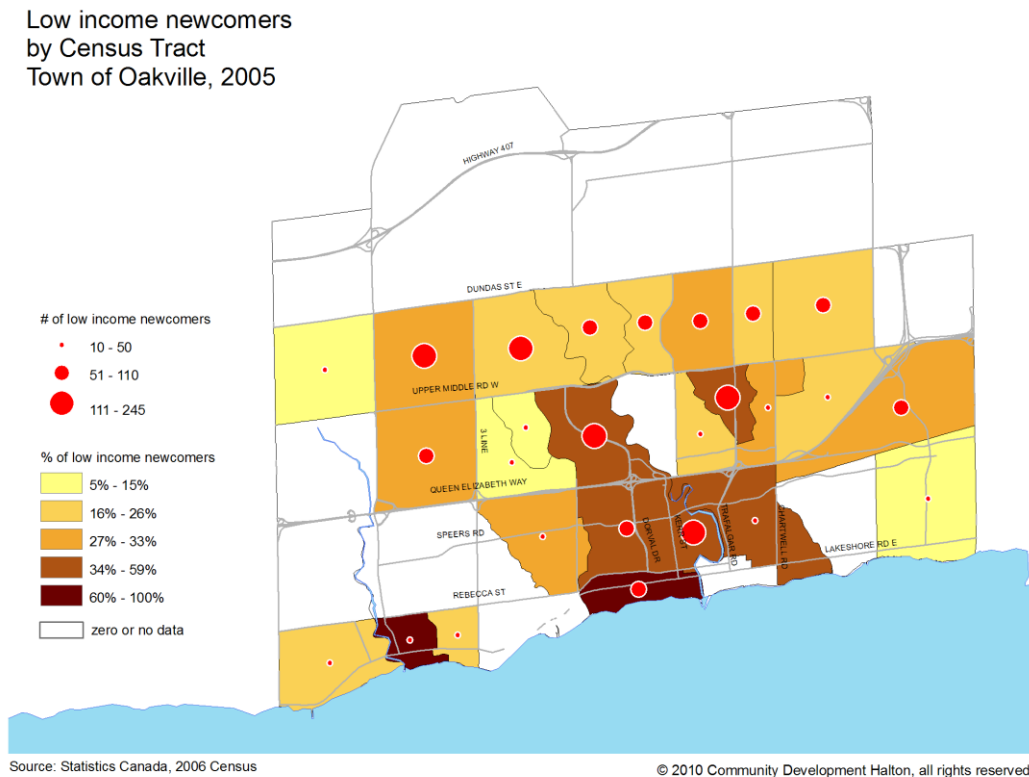
Prevalence of low income by selected groups, Town of Oakville, 2005



Source: Statistics Canada, 2006 Census

## Clusters of Low Income Newcomers

Although the prevalence of low income or poverty for recent immigrants has not changed significantly between the periods 1996-2000 and 2001-2006, the number of low income newcomers has increased by 30%. There are seven census tracts<sup>4</sup> in Oakville with 100 and more low income newcomers. These census tracts shown on the following map correspond with areas where the highest concentration of newcomers occurs in Oakville.



## Low Income Newcomer Families

Newcomer families account for about 6% of Oakville's families but they are over represented in families with low income. The low income newcomer families represent about 18% of the total number of low income families in the community. Nearly one-fifth of the low income families is a newcomer family.

There is a higher percentage (46%) of low income newcomer households living in rental accommodations than other low income households (38%). More than 50% of low income newcomer tenant households spent over half of their incomes on rental payments and utilities (electricity, fuels, water and other municipal services).

<sup>4</sup> 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.

# 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. 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% - 99% of LICO. Families in the “less than 50% of LICO” are living in deep poverty.

In 2005, two in five (40%) low income newcomer families were living in deep poverty. For a family of four, it means that they have to survive with an annual total income of less than \$20,000 (LICO threshold is \$38,610).

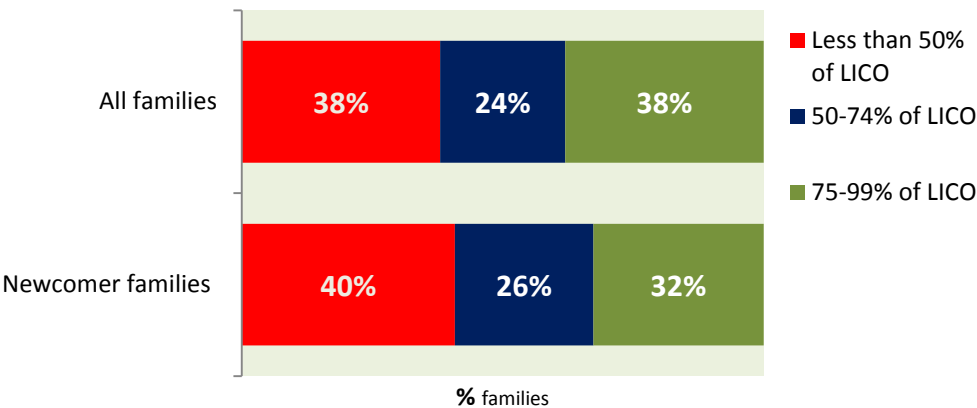
# Conclusions

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 over half of newcomers 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.

**Proportion of Low Income families by Percentage of LICO threshold, Town of Oakville, 2005**



Source: Statistics Canada, 2006 Census