

Our Halton 2018

Income Inequality and Poverty

November 2018



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Electronic copies of this report are available from:

Community Development Halton
3350 South Service Road
Burlington, ON L7N 3M6
Phone: (905) 632-1975; 1-855-395-8807
Email: office@cdhalton.ca
Web: www.cdhalton.ca



Research Team

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

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Introduction

Community Development Halton (CDH), introduces the “Our Halton 2018” series to increase the awareness of the changing socio-demographic characteristics of residents of Halton Region. The series focuses on population groups such as seniors, women, visible minority, recent immigrants and the challenges and issues they are facing. The implications are developed in cooperation with community members with insights and lived experience in Halton communities.

The main data source is the 2016 Census of Population. The Census which is conducted every five years provides the most reliable and detailed socio-demographic data on the Canadian population. However, the quality and reliability of this valuable data source was disrupted in 2011 when the federal government replaced the mandatory long form census with a voluntary National Household Survey (NHS). Due to the change in data collection methodology from a mandatory census to a voluntary survey, the non-response rate of the NHS is significantly higher than those of the previous long form census. In addition to an overall lower response rate, certain population groups are less likely to respond to the survey such as high and low income individuals, newcomers and visible minority groups.

Given the high non-response rate and the associated non-response bias, Statistics Canada warns people to exercise caution when using the NHS data and comparing with previous censuses. In effect, it has created a ten-year data gap between 2006 and 2016. The 2016 Census not only provides, once again, quality and reliable demographic data on the population, but also remedies the data deficiency situation since 2006.

This report draws on the census datasets which are available from Statistics Canada’s website and the census data tables obtained by the Community Data Program¹ (CDP). CDH is a member organization of the CDP’s Halton Region Consortium. Although, publicly released census datasets are available at various levels of geography, this report uses data available at the Census Division (e.g. Halton Region) and Census Subdivision (e.g. City of Burlington) levels.

CDH has chosen to use the language of the Census in the Our Halton series even though the expression may appear awkward or no longer is considered sensitive to the needs of a population group. We use the language of the Census as it reflects precise measurements by Statistics Canada. For example, the Census uses the word “visible minority”, however, the preferred word is racialized, but the two words are not inclusive of the same population groupings.

¹ Canadian Council on Social Development, Community Data Program, <https://communitydata.ca/>.

Our Halton 2018: Income Inequality and Poverty reveals the magnitude of income differentials among various income groups including the top and bottom income deciles. Income inequality widens the gap between the rich and the poor. How does each local municipality fare in income distribution among its residents? It explores income inequality and incidence of poverty of the total population by age and sex with a focus on population groups such as the recent immigrants or newcomers², visible minorities, single mothers, seniors and the working poor individuals.

The following infographic captures and summaries income inequality and poverty in Halton Region.

² Statistics Canada defines recent immigrants or newcomers are people who arrived in Canada between 2011 and 2016.

Income Inequality

According to a recent Organization for Economic Cooperation and Development (OECD) report on income inequality, the top 1% of Canadian before tax income earners captured 37% of the overall income growth. Between 1981 and 2012 the top 1% swallows up to 12.2% of the country’s entire income pie. Among the 18 relatively rich countries³, Canada demonstrates high income disparity and ranks only behind the United States, United Kingdom and Germany.

The widening income gap between the rich and the poor impacts negatively on economic growth, standard of living, health and well-being, and social inclusion. In their book⁴ titled “*The Spirit Level: Why More Equal Societies Almost Always Do Better*,” Wilkinson and Pickett have demonstrated for each of eleven different health and social issues, outcomes are significantly worse in rich countries with high inequality (Figure 1).

Figure 1. Health and Social Problems are Worse in More Unequal Countries



- Index includes:
- Life expectancy
 - Maths & literacy
 - Infant mortality
 - Homicides
 - Imprisonment
 - Teenage births
 - Trust
 - Obesity
 - Mental illness (inc. drug and alcohol addiction)
 - Social mobility

Source: Wilkinson & Pickett, *The Spirit Level* (2009)

THE EQUALITY TRUST

³ OECD, Focus on Top Incomes and Taxation in OECD Countries: Was the crisis a game changer? May 2014.

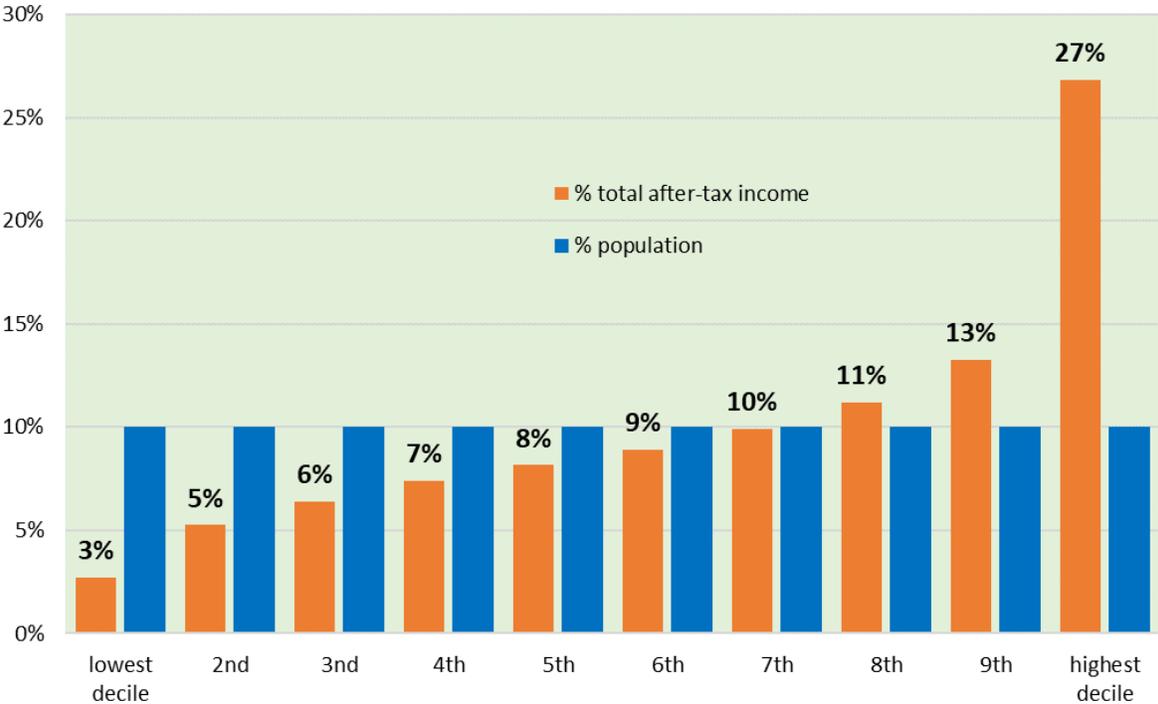
⁴ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, Allen Lane, 5 March 2009.

High income inequality also raises a moral question about fairness and social justice.⁵ In 2012, the House of Commons Standing Committee on Finance undertook a study on income inequality in Canada and issued a report⁶ in 2013 with recommendations regarding how best to improve the equality of opportunity and prosperity for all Canadians.

Determining the share of total income by population deciles is one of many ways to measure income inequality. The population is first divided into ten equal groups (10% each) from the poorest (lowest decile) to the richest (highest decile), and then the proportion of the total income captured by each group is calculated. If each group has 10% of the total income, there is no income inequality.

In 2015, the highest decile (top 10%) of the population in Halton has by far the largest share (26.8%) of the total after-tax income (disposable income) and the bottom decile captures only 2.7% (Figure 2).

Figure 2. Proportion of Total Income by Income Decile, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2015 Taxfiler data

⁵ The Conference Board of Canada, *Hot Topic: Canada Inequality*, July, 2011.

⁶ House of Commons of Canada, *Income Inequality in Canada, An Overview*, report of the Standing Committee on Finance, December 2013.

Table 1 shows that Oakville has the widest gap between the very rich (highest decile) and very poor (lowest decile). The inequality gaps are narrower in Halton Hills and Milton.

Table 1. Percentage of Total Income by Highest and Lowest Decile by Municipality, Halton Region, 2015

	Lowest decile	Highest decile
Oakville	2.0%	30.8%
Burlington	3.3%	24.6%
Milton	2.9%	21.2%
Halton Hills	3.7%	22.5%
Halton Region	2.7%	26.8%

Source: Statistics Canada, 2015 Taxfiler data

In Halton, the average disposal income for the highest decile (top 10%) was 10 times higher than the lowest (bottom 10%) decile. In other words, on average, for every after-tax dollar earned by individuals in the top decile, those at the bottom decile earned 10 cents. In Oakville, the difference is 15 times. The individuals in the bottom decile earned only 6.7 cents.

The following infographic captures and summarizes income inequality and poverty in Halton.

Income Inequality



For every dollar earned by the top 10% income group



The bottom 10% income group earns only 10 cents

Poverty

Poverty rate is the percentage of population live in poverty as measured by the after-tax Low Income Measure (LIM-AT) which is 50% of median adjusted household income with household needs taken into account

There are population groups experiencing higher poverty rates than Halton's average of 8.2%



8.7%
of women

24,100 persons



14.4%
of visible minorities

20,000 persons

Note:

* a non-family person is a person not living in a census family or is living alone

** newcomers are immigrants who arrived in Canada between 2011 and 2016



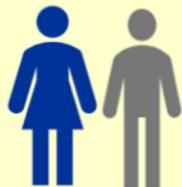
19%
of single mothers

3,100 persons



27.5%
of non-family persons*

20,000 persons



7.3%
of seniors

5,600 persons



8.6%
of children

3,800 persons



28.4%
of newcomers**

6,000 persons

The Costs of Poverty

Poverty costs everyone. The Ontario Association of Food Banks⁷ estimated the cost of poverty in Ontario at \$32 to \$38 billion a year which is equivalent to 5.5% to 6.6% of the provincial GDP. Poverty is expensive and costs every household in the province from \$2,299 to \$2,895 per year. This is reflected in costs to our health care system, the cost of crime, the cost of social assistance, the loss of tax revenue that accompanies low earnings.

Poverty also has significant ramification for human well-being. It impacts negatively on equity and human dignity. Low income limits an individual's or family's opportunity and access to affordable housing, healthy food, child care, education, employment and eventually to a better life.

The World Health Organization (WHO) has declared poverty to be the single largest determinant of health⁸. Poverty can and does lead to illness (due to poor nutrition, inadequate shelter, greater environmental risks and lesser access to healthcare) but the opposite is also true; illness leads to poverty by reducing household savings, overall productivity, and quality of life for individuals and families.

Unfortunately, because we live in a prosperous and affluent province, very often, the existence of poverty can become invisible and easily forgotten. Some of the statistics on poverty follow:

- Ontario has two social assistance programs to help eligible residents who are in financial need. In March 2017, there were over 250,000 cases⁹ on Ontario Works (OW) and 350,000 cases on Ontario Disability Assistance Program (ODSP)¹⁰. Income paid on both programs is below the poverty line keeping recipients in deep poverty.
- Almost half a million (449,415) individuals visited an Ontario food bank between 2016-2017¹¹.
- Over 171,000 Ontario families, seniors and single adults and couples were on waiting lists for rent-geared-to income housing in 2015¹².
- Nearly half (46%) of 1.5 million renters¹³ in Ontario spent 30% or more of their income on shelter.

⁷ Ontario Association of Food Banks, *The Cost of Poverty, An Analysis of the Economic Cost of Poverty in Ontario*, November, 2008.

⁸ World Health Organization, *Poverty and Social Determinants*, <http://www.euro.who.int/en/health-topics/environment-and-health/urban-health/activities/poverty-and-social-determinants>.

⁹ A case refers to an individual or a family unit on social assistance.

¹⁰ Ontario Ministry of Community and Social Services.

¹¹ Ontario Association of Food Banks, *Ontario Hunger Report 2016*.

¹² Ontario Non Profit Public Housing Association, *ONPHA, 2016 Waiting list survey report*.

¹³ Statistics Canada, 2016 Census.

- Child care fees are becoming more expensive and unaffordable to many families. Ontario cities had the highest infant care fees among Canadian cities. Families had to pay over \$1,400 a month¹⁴. Unaffordable child care forces low income parents especially single parents to stay home with children rather than re-enter the workforce. Poverty continues.

¹⁴ Canadian Centre for Policy Alternative, *Time Out, Child Care Fees In Canada, 2017*.

Measuring Poverty

There are many ways to measure poverty or low income. The Low Income Measure (LIM) is the most commonly used, particularly for making international comparisons.

It is important to note, on August 21, 2018, the federal government announced the launch of Canada's First Poverty Reduction Strategy¹⁵, which targets a 20% reduction in poverty by 2020 and a 50% reduction in poverty by 2030. The strategy sets an official measure of poverty; Canada's Official Poverty Line, based on the cost of a basket of goods and services that individuals and families require to meet their basic needs and achieve a modest standard of living in communities across the country. This measure has been known as the Market Basket Measure (MBM).

Given the timing of the federal government's announcement and data availability, The Low-Income Measure (LIM) is used in this report as the measure of poverty as it is the measure used in the Census. Also, throughout this report, the terms "poverty," "poor" and "low income" are interchangeable.

In simple terms, the LIM is a fixed percentage (50%) of median adjusted household income¹⁶, where "adjusted" indicates that household needs are taken into account. Adjustment for household sizes reflects the fact that a household's needs increase as the number of members increases. A household of six has greater needs than a household of two, although these needs are not necessarily three times as costly.

Table 2 shows the thresholds for After Tax – Low Income Measure (LIM-AT) for various household sizes. For example, a person living alone and making less than \$22,133 lived in poverty. A lone-parent with two children with income less than \$38,335 also lived in poverty.

For the 2016 Census, the reference period is the calendar year 2015 for all income variables including low incomes.

For illustration purpose, the Before Tax- Low Income Measure (LIM-BT) for one person is \$25,516. The hourly wage for that individual is about \$13 assuming a 37.5 hour work week for 52 weeks.

¹⁵ Employment and Social Development Canada, *Opportunity for All, Canada's First Poverty Reduction Strategy*, August 2018.

¹⁶ Median income is the amount that divides the income distribution of the population group into two halves (i.e., the incomes of half of the units in that group are below the median, while those of the other half are above the median).

Poverty rate is the percentage of people whose income falls below the poverty line (e.g. LIM-AT). Different population groups such as seniors, women, visible minorities can have different poverty rates.

Table 2. Low Income Measure – After Tax (LIM-AT) for Private Households of Canada, 2015

Household Size*	After-tax Income
1 person	\$22,133
2 persons	\$31,301
3 persons	\$38,335
4 persons	\$44,266
5 persons	\$49,491
6 persons	\$54,215
7 persons	\$58,558

* to convert other household sizes, multiply the value in the one-person household by the square root of the desired household size

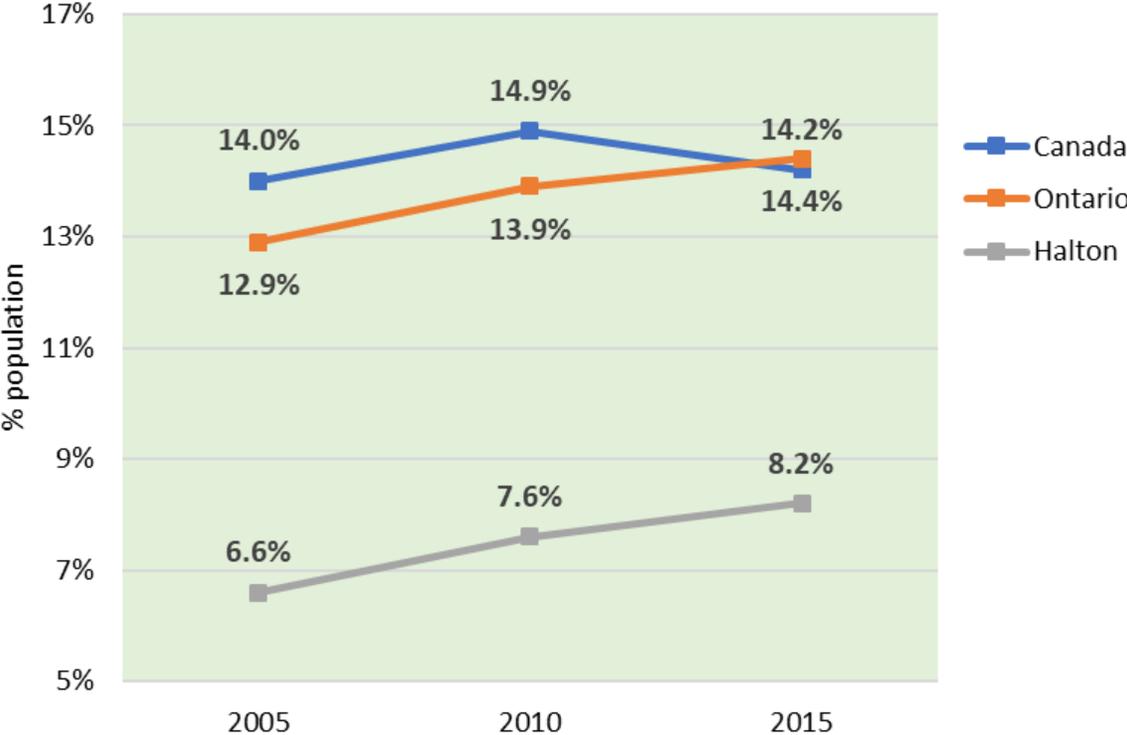
Source: Statistics Canada, 2016 Census

Population in Poverty

In 2005, there were 1.53 million Ontario residents living in poverty. As shown in Figure 3, the poverty rate was 12.9%. A decade later, the number of poor had risen to 1.89 million residents and the poverty rate rose to 14.4%.

Although, Halton’s poverty rates are significantly lower than the national and provincial percentages in the same period, the magnitude of the increase over time is considerable. In a span of ten years the size of Halton’s population in poverty grew by 53% compared to 25% increase for the overall population. In 2015, there were over 44,500 Halton residents living in poverty compared to 29,000 persons ten years ago. Halton’s poverty rate rose from 6.6% to 8.2%.

Figure 3. Poverty Rates, Canada, Ontario, and Halton Region, 2005-2015

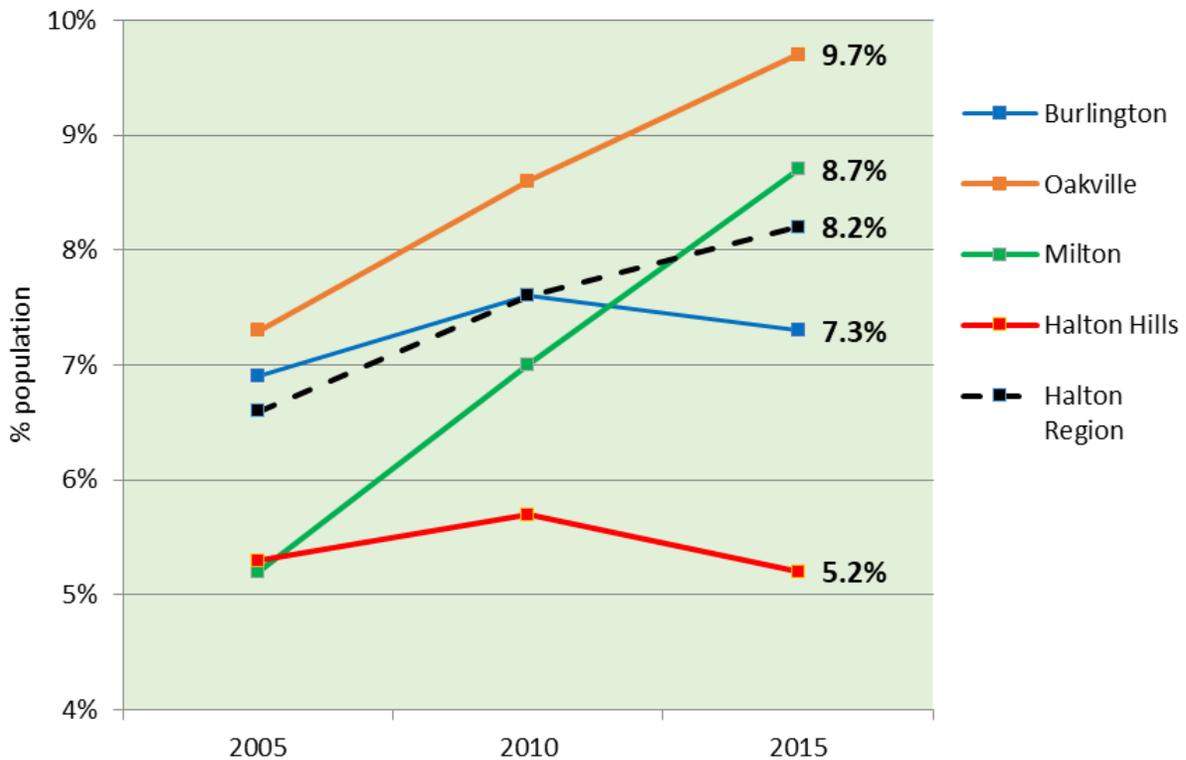


Community Development Halton/Source: Statistics Canada, 2006-2016 Censuses

The poverty rates vary among Halton’s local municipalities (Figure 4). Oakville has the highest poverty rate at 9.7% or 18,700 individuals, followed by Milton at 8.7% or 9,400 individuals, Burlington at 7.3% or 13,200 individuals and Halton Hills at 5.2% or 3,200 individuals.

In 2005, the poverty rates for Milton and Halton Hills were below the regional average. Since then, the poverty rates for the two municipalities are pointing to different directions. While Halton Hills’ rate continues to track below the regional average, the poverty rate for Milton overtook Burlington and became the municipality with the second highest poverty rate after Oakville. The poverty rate for Burlington dropped from 7.6% in 2011 to 7.3% in 2015.

Figure 4. Poverty Rates by Municipality, Halton Region, 2005-2015



Community Development Halton/Source: Statistics Canada, 2006-2016 Censuses

Poverty by Age

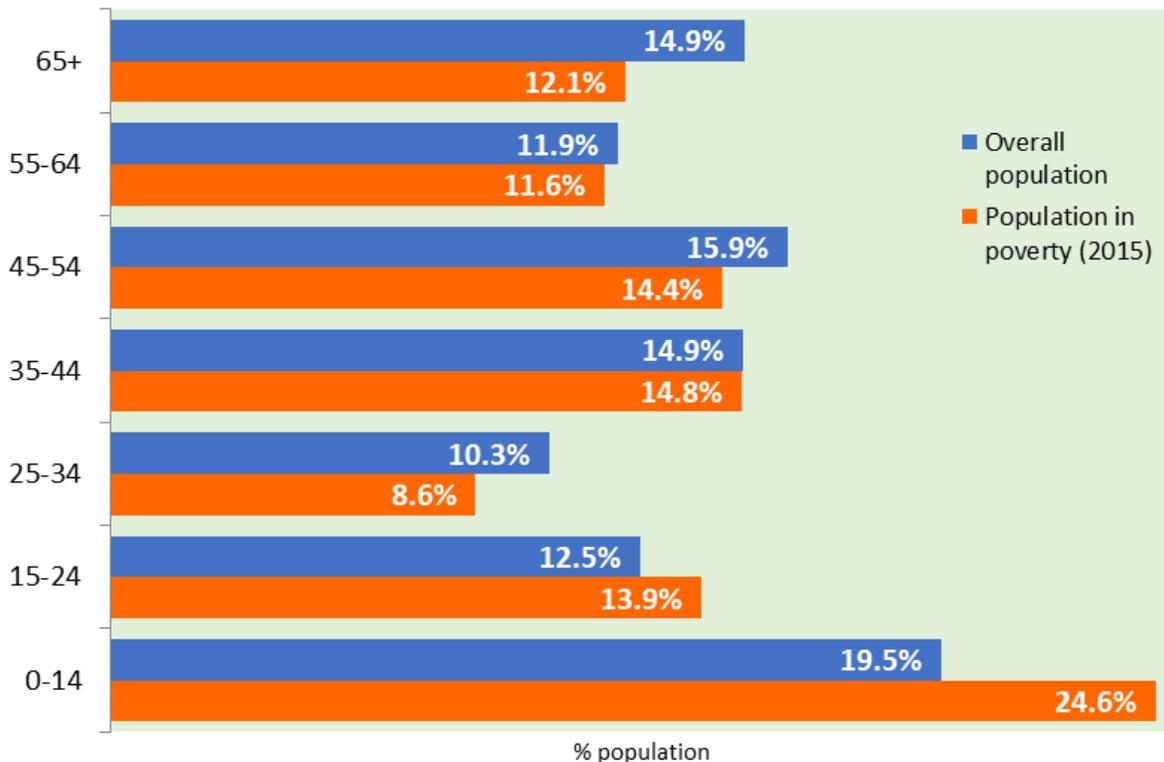
Poverty rates also vary among age groups. An age group is over-represented in poverty when its share of the low income population is higher than its share of the overall population. Conversely, when its share of the low income population is lower than its share of the population, that age group is under-represented.

In Halton, children and youth under the age of 24 are over-represented in poverty. Among the 44,500 individuals living in poverty, almost one in four (24.6%, 11,000 individuals) are children under the age of 14. In comparison, children in that age group account for less than one-fifth (19.5%) of the total population (Figure 5).

Furthermore, the likelihood of children living in a poor household increases with the number of children under 18 in the family. For example, according to the 2016 Census, in a two-parent family with one child, the poverty rate is about 9%. That percentage increases to 16% when there are three or more children. In a lone-parent or single parent family situation, that percentage jumps from 30% with one child to 55% with three or more children.

Three age groups (i.e. 25-34, 45-54 and 65 and over) are noticeably under-represented.

Figure 5. Percentage of Population by Age, Halton Region, 2016

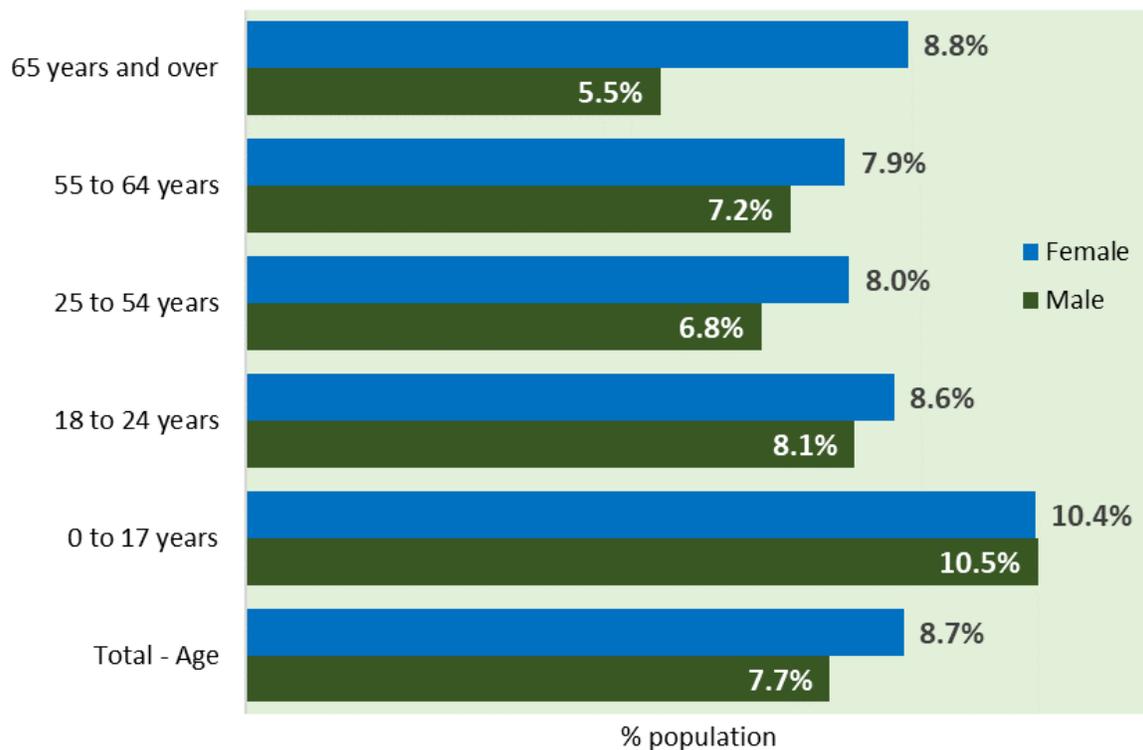


Community Development Halton/Source: Statistics Canada, 2016 Census

Poverty by Gender

As discussed in the publication, *Our Halton 2018 – Women*¹⁷, there is an income gender gap between women and men. That gender gap also extends to low income individuals. The poverty rate for women is higher than men in all age groups except for those under 17 years of age. As shown in Figure 6, for senior women, the difference is over 3.3 percentage points. In 2015, almost 3,700 women lived in poverty in Halton.

Figure 6. Poverty Rate by Age and Sex, Halton Region, 2015

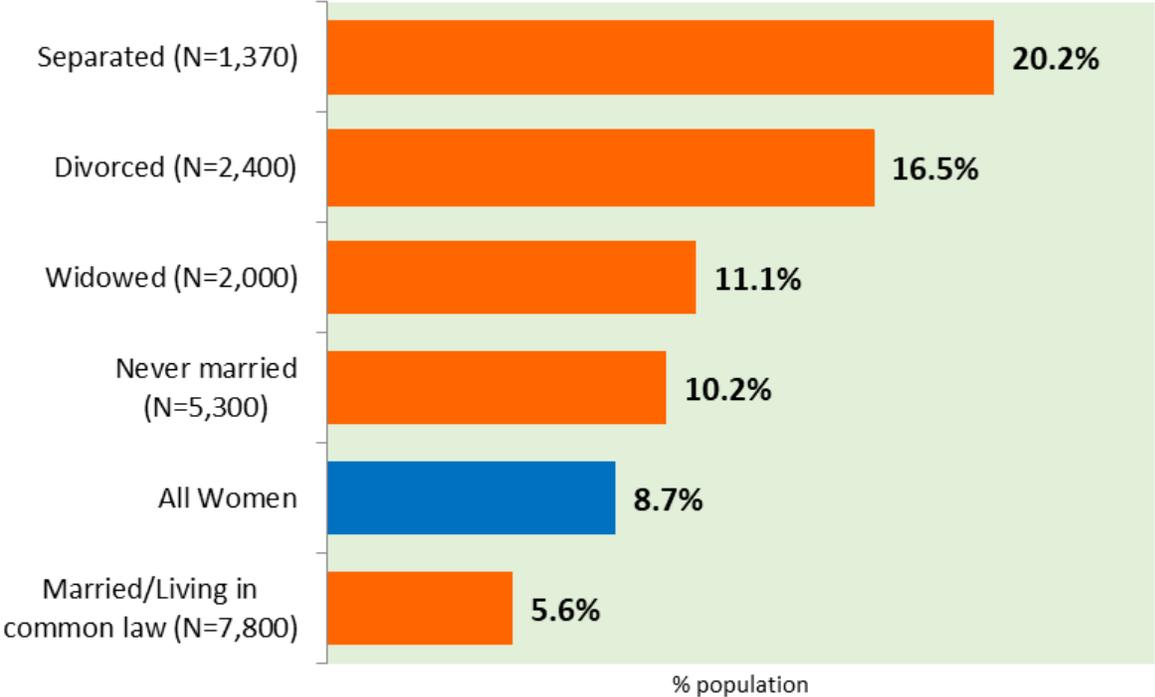


Community Development Halton/Source: Statistics Canada, 2016 Census

¹⁷ Community Development Halton, *Our Halton 2018 Women*, July 2018

The poverty rate for all women was 8.7% (Figure 7). Married women or those living in common-law relationships have greater financial resources than those who are separated, divorced, widowed or never married. One in five women who are separated have the highest incidence of poverty.

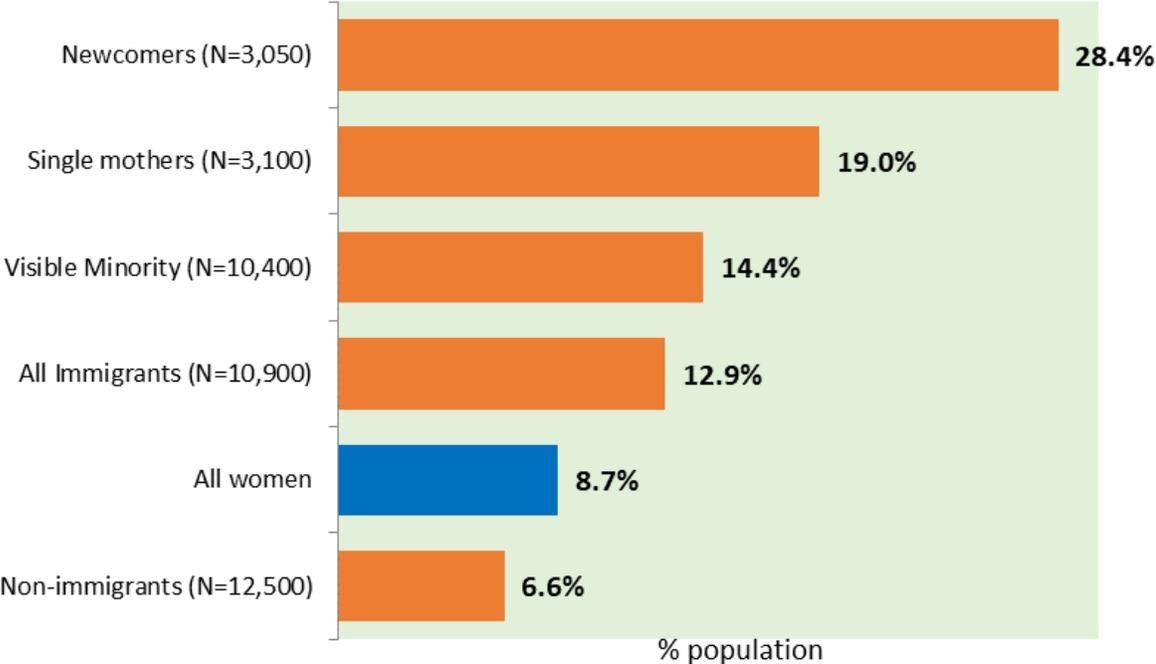
Figure 7. Women’s Poverty Rate by Marital Status, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

Women’s population groups such as single mothers, visible minorities, recent immigrants or newcomers, and immigrants are impacted disproportionately by poverty (Figure 8).

Figure 8. Women’s Poverty Rate by Population Group, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

Visible Minority Population¹⁸

Statistics Canada's definition of visible minorities includes residents who identify with many racialized groups but does not include Indigenous residents. The term 'racialized' is now becoming more common, which includes both visible minorities and Indigenous peoples. The Ontario Human Rights Commission, in their factsheet on racial discrimination, explains that because 'race' has its roots in social, not biological, characteristics and includes much more than skin colour, their preferred term is "racialized group or person":

"The Commission has explained 'race' as socially constructed differences among people based on characteristics such as accent or manner of speech, name, clothing, diet, beliefs and practices, leisure preferences, places of origin and so forth. The process of social construction of race is called racialization: the process by which societies construct races as real, different and unequal in ways that matter to economic, political and social life. Recognizing that race is a social construct, the Commission describes people as 'racialized person' or 'racialized group' instead of the more outdated and inaccurate terms 'racial minority', 'visible minority', 'person of colour' or 'non-White'."

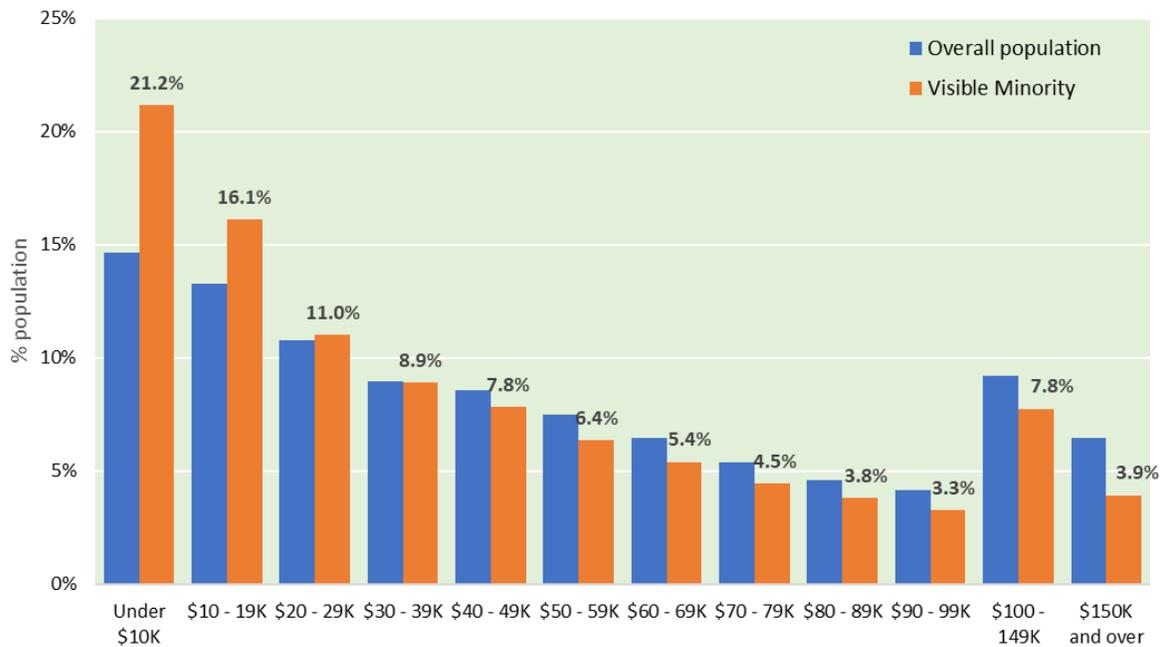
This document uses visible minority, not racialized group, because the charts are based on Census data that was collected information using the visible minority term and because this data does not include Indigenous residents.

In 2016, Halton's visible minority population rose to 25.6%, or one in four Halton residents. This surpasses the national average of 22.3%. Over 40% of Milton's residents are visible minority. Oakville's percentage (30.8%) is higher than both the provincial and national averages. Burlington's proportion rose from 7.5% in 2001 to 16% in 2016. Also, Halton Hills increased from 3.3% to 7.4%.

As a population group, visible minorities earn less money than the overall population. As shown in Figure 9, the median total income for the visible minority population aged 15 and over was \$31,692 in 2015. It represents about three-quarters (74.4%) of the median total income (\$42,577) for the overall population. Over one in five (21.2%) of the visible minorities earned less than \$10,000 compared to 14.6% for the overall population. While 6.4% of the overall population made over \$150,000, about 3.9% of the visible minority population made the same amount.

¹⁸ Statistics Canada's definition of visible minorities is based on the federal Employment Equity Act and does not include Indigenous peoples.

Figure 9. Percentage Distribution of Visible Minority Population by Total Income, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

There were over 20,000 visible minority persons living in poverty in Halton. The poverty rate is 14.4% compared to 8.2% for the overall population. The poverty rates vary among local municipalities as shown in Table 3.

Table 3. Visible Minority Population in Poverty by Municipality, Halton Region, 2015

	Visible Minority population	Visible Minority Population in Poverty	Visible Minority Poverty Rate
Oakville	59,075	10,240	17.3%
Burlington	28,830	3,485	12.1%
Milton	46,620	5,910	12.7%
Halton Hills	4,475	395	8.8%
Halton Region	139,000	20,030	14.4%

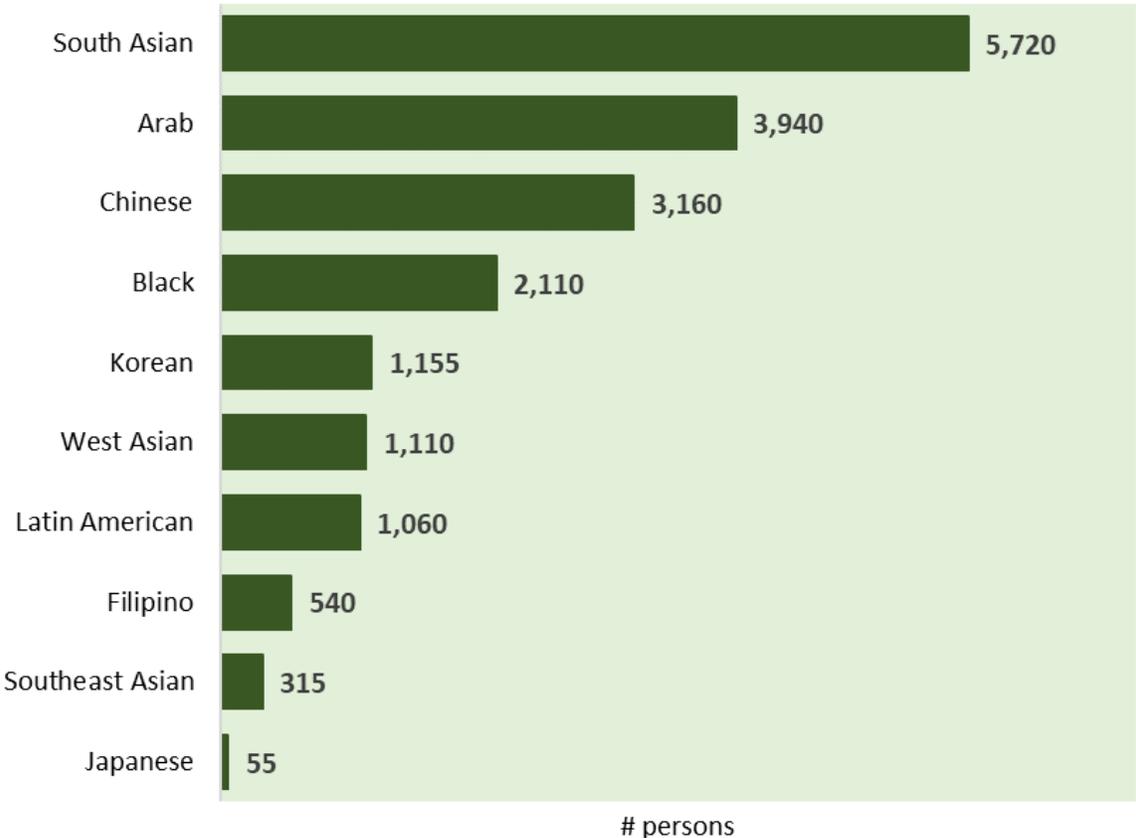
Source: Statistics Canada, 2016 Census

The 2016 Census categories the visible minority population into ten population groups. They are:

- White
- South Asian (e.g. East Indian, Pakistani, Sri Lankan, etc.)
- Chinese
- Black
- Filipino
- Latin American
- Arab
- Southeast Asian (e.g. Vietnamese, Cambodian, Laotian, Thai, etc.)
- Korean
- Japanese

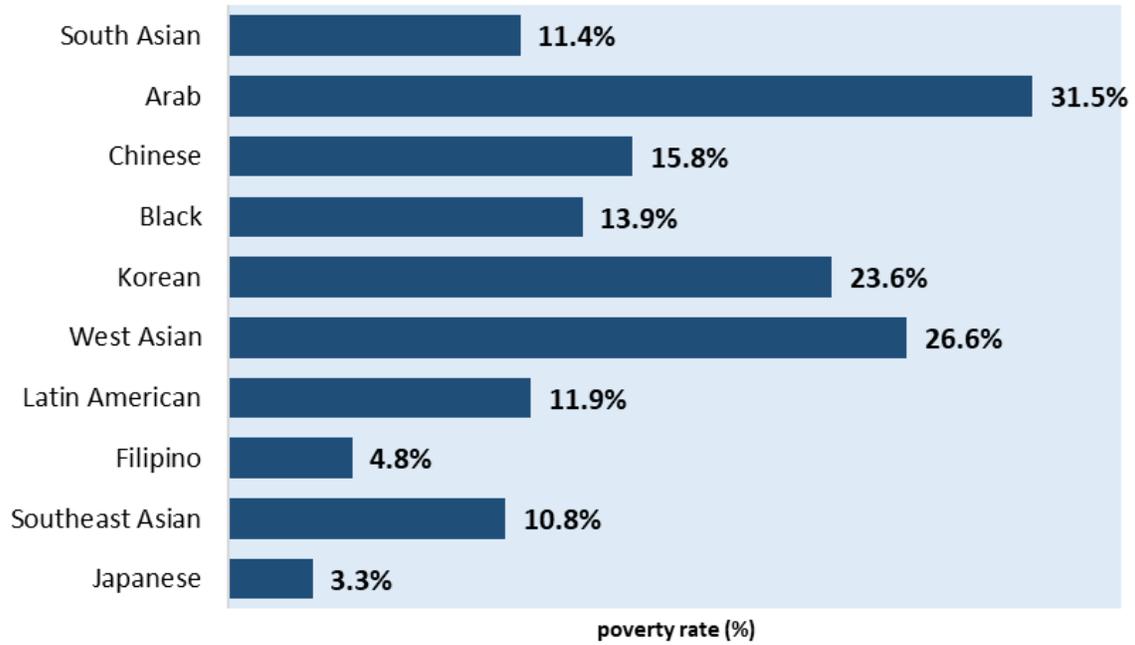
Figure 10 presents the number of individuals living in poverty by each visible minority group. The poverty rate for each visible minority group is shown in Figure 11. For example, over 5,700 South Asians are living in poverty and have a poverty rate of 11.4%. The poverty rate for the Arabs is 31.5% (or 3,900 individuals).

Figure 10. Number of Visible Minority Population Living in Poverty, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

Figure 11. Poverty Rate by Visible Minority Group, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

Newcomers

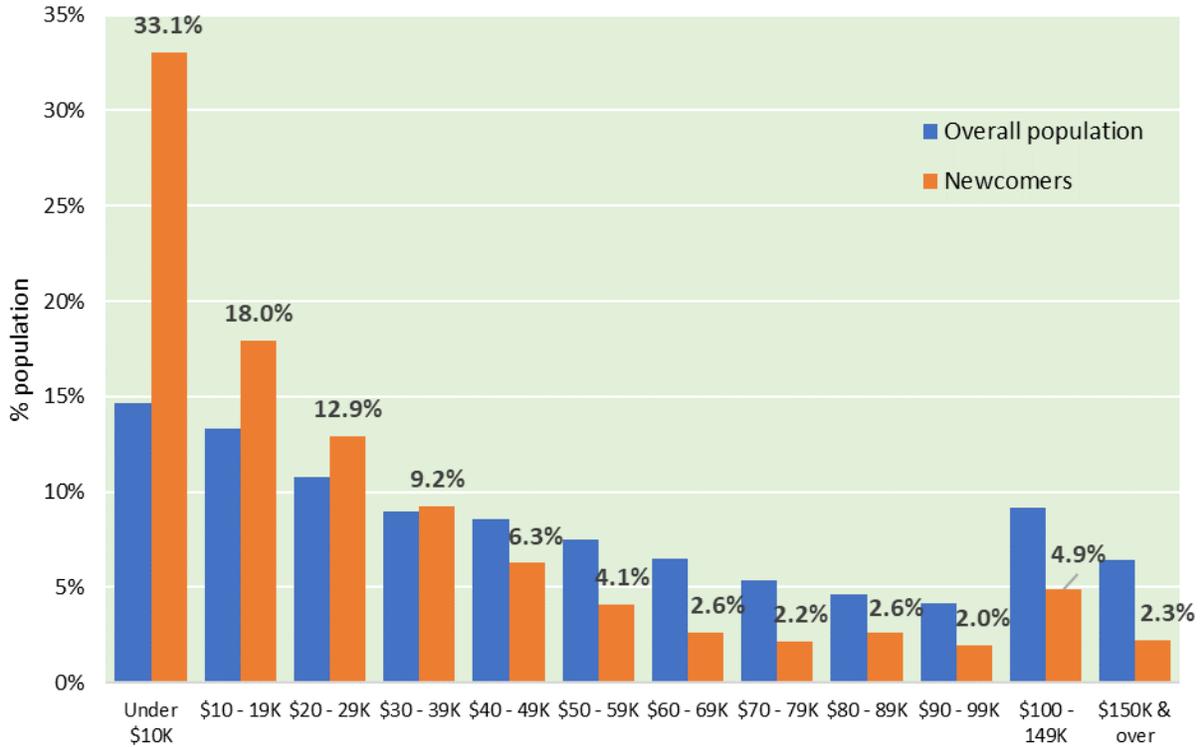
Between 2011 and 2016, Canada received over 1.2 million immigrants from countries around the world. Recent immigrants, or newcomers, represented 3.5% of Canada's population in 2016.

Halton welcomed 20,500 newcomers. This is a slight increase of 1.6% over the previous period (2006-2011) compared to 1.9% for Ontario. Newcomers are admitted to Canada under various admission categories including economic immigrants, immigrants sponsored by family, refugees and others.

Newcomers can face many challenges when they arrive in Canada, such as assessment of foreign credentials, employment opportunities, language needs, education and cultural differences. How well they overcome these challenges will impact on their labour market outcomes.

On average, the incomes of newcomers are lower than the overall population. The median total income for newcomers aged 15 and over was \$19,487 in 2015. This is less than half (45%) of the total income for the overall population. As shown in Figure 12, one in three (33.1%) newcomers earned less than \$10,000 compared to 14.6% for the overall population. While 6.4% of the overall population made over \$150,000, approximately 2.3% of newcomers made the same amount.

Figure 12. Percentage Distribution of Newcomers by Total Income, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

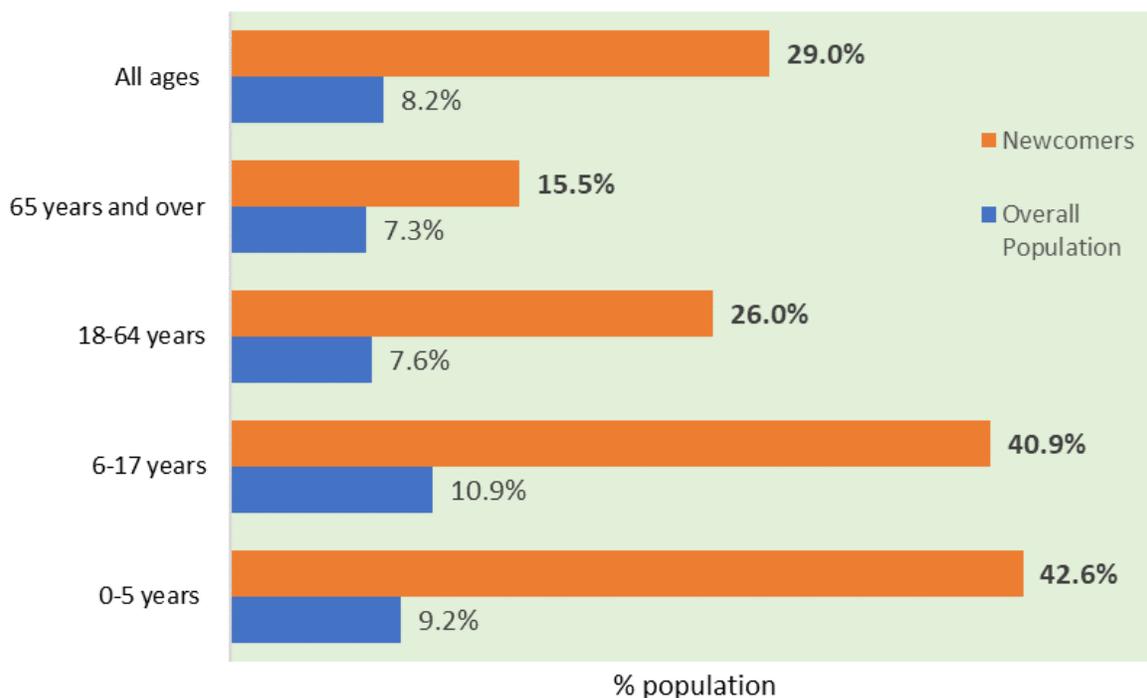
However, studies^{19,20} have shown newcomers' incomes increase the longer they live in Canada. For example, the median wages of immigrants admitted to Canada in 2005 were estimated at \$17,600 in 2006, one year after landing. For the same cohort, they increased to \$25,000 five years after landing, and \$32,000 a decade after.

The poverty rates for newcomers are higher than the overall population in all age groups (Figure 13). The poverty rate for children under 17 exceeds 40%, over 2,200 newcomer children in Halton live in poor families.

¹⁹ Statistics Canada, *Income and Mobility of Immigrants*, 2016.

²⁰ Citizenship and Immigration Canada, *Annual Income of Immigrants Relative to the Canadian National Average, 1981-2011*, January 2014.

Figure 13. Poverty Rates for Newcomers and Overall Population by Age, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

There were almost 6,000 newcomers living in poverty in Halton. The poverty rate is 29% compared to 8.2% for the overall population (Table 4), that means over 1 in 4 newcomers lives in poverty. Again, their poverty rates vary among local municipalities.

Table 4. Newcomer Population in Poverty by Municipality, Halton Region, 2015

	Newcomer Population	Newcomer Population in Poverty	Newcomers Poverty Rate
Oakville	10,185	3,610	35.4%
Burlington	4,130	975	23.6%
Milton	5,635	1,300	23.1%
Halton Hills	535	65	12.1%
Halton Region	20,485	5,950	29.0%

Source: Statistics Canada, 2016 Census

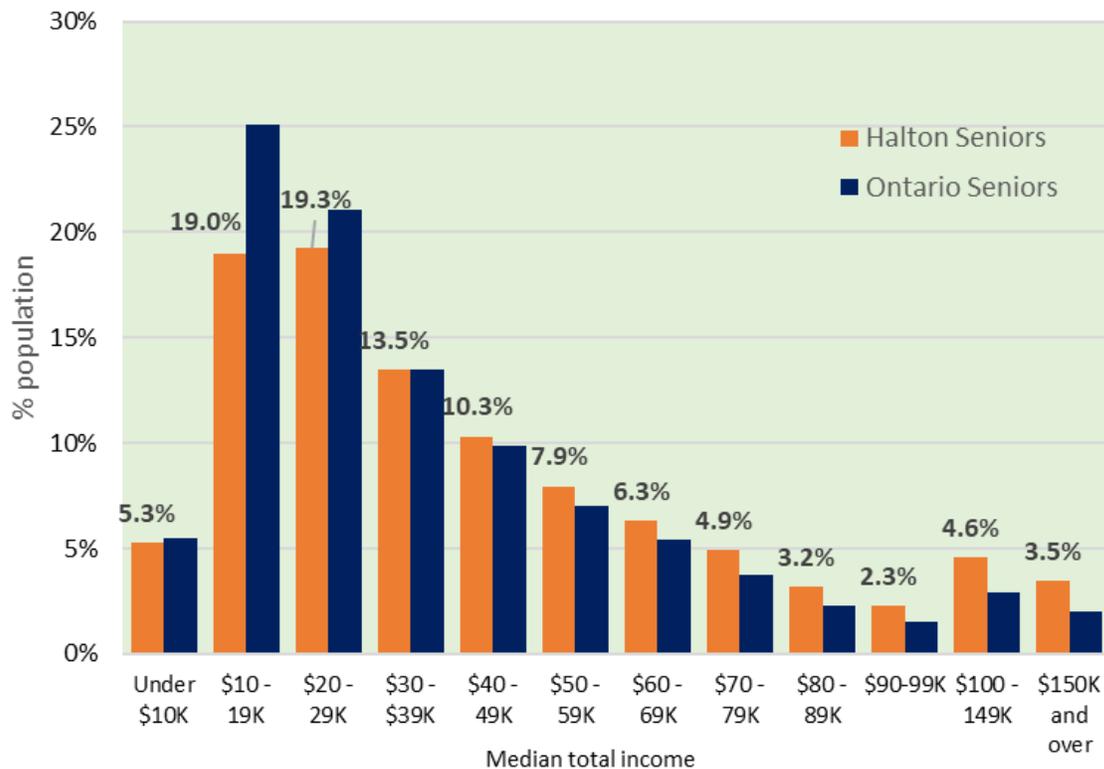
Seniors

In 2015, Halton’s median household income was 39% and 46% higher than the provincial and national medians respectively. It ranked first among the 49 Census Divisions²¹. Halton is an affluent community.

Its affluence is also reflected in the income of its senior population those over 65 years of age. In 2015, Halton had a median senior income of \$34,620, which means half the seniors earned above that amount and half earned less than that amount. The median income is 19% and 28% above the provincial and national medians respectively.

As shown in Figure 14, over 8% (6,100 individuals) of Halton’s seniors made over \$100,000 compared to 5% of Ontario’s seniors. Almost one in four (24.3% or 18,300 individuals) seniors has income less than \$20,000. Another 20% (14,600 individuals) make between \$20,000 to \$30,000.

Figure 14. Percentage Distribution of Seniors by Total Income, Ontario, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

²¹ Corresponding to regional municipalities or counties

There are over 5,500 seniors living in poverty which represent 7.3% of the senior population. About 40% of seniors in poverty lived in Burlington, followed by Oakville at 35.2%, Milton at 13.4% and Halton Hills at 10.1%.

As shown in Table 5, Milton has the highest poverty rate for seniors at 7.8% followed by Oakville at 7.4%, Halton Hills at 7.2% and Burlington at 7%.

Two out of three (66%) low income seniors in Halton are women. This percentage is higher than the provincial average of 52%. Although more women are entering the labour market, they are more likely to work part-time, part year or have their employment interrupted for reasons related to caregiving responsibilities. These circumstances negatively affect their employment income, ability to save and pension contribution. Halton Hills has the highest incidence of low income for senior women at 9.5%, almost one in ten senior women lived in poverty.

Table 5. Senior Poverty Rates by Sex and Municipality, Halton Region, 2015

	Burlington	Oakville	Milton	Halton Hills	Halton
# Senior Men	740	695	310	160	1,905
Poverty rate	5.1%	5.8%	6.9%	4.5%	5.5%
# Senior Women	1,560	1,265	435	405	3,665
Poverty rate	8.6%	8.8%	8.6%	9.5%	8.8%
# All seniors	2,295	1,960	745	565	5,565
Poverty rate	7.0%	7.4%	7.8%	7.2%	7.3%

Source: Statistics Canada, 2016 Census

The incidence of low income not only is a gender issue but also one related to age as shown in Table 6). Older seniors (85 years and over) have the highest percentage of poverty. It ranges from 8.3% for Oakville to 11.3% for Halton Hills. The trend clearly indicates that as you age, poverty increases and many of those individuals are women.

Table 6. Senior Poverty Rate by Age and Municipality, Halton Region, 2015

	Halton	Oakville	Burlington	Milton	Halton Hills
65-74 years	6.3%	6.8%	5.8%	6.6%	6.0%
75-84 years	7.6%	7.0%	7.4%	10.4%	8.3%
85 years and over	9.6%	8.3%	9.9%	10.6%	11.3%

Source: Statistics Canada, 2016 Census

Seniors with no workplace pension, Registered Retirement Savings Plan (RRSP) or personal saving, investment or other assets, have to rely on government transfers such as Canada Pension Plan (CPP), Old Age Security (OAS), Guaranteed Income Supplement (GIS) and other forms of social assistance. However, for many seniors the amount received still falls short of the After-Tax Low Income Measure (LIM-AT) threshold.

Canada Pension Plan (CPP) is only available to Canadians who in their working years, have made contributions. In 2015, the maximum monthly benefit is \$1,065. Nevertheless, not everybody receives the maximum benefit. It depends on the individual's payment rate, work history, and when they decide to receive the benefit. According to an Employment and Social Development Canada report on CPP and OAS²² monthly payments, the average CPP monthly benefit for 2015 is \$527.70, almost half of the maximum payout.

In 2015, the maximum monthly OAS benefit is \$564.80 and is available to all Canadians at age 65. There is a residence requirement (at least 10 years in Canada since age 18) for Canadian citizens and legal residents.

Seniors, who receive the average CPP monthly benefit (\$527.70) are eligible for a combined monthly GIS and OAS payment of \$1,012. The total annual income is \$18,468. It represents 83% of the LIM-AT threshold for a single person with a shortfall of \$3,665 (Figure 15).

For seniors living in poverty, in addition to OAS, they can apply for the Guaranteed Income Supplement (GIS). In 2015, a single senior with no other income except the monthly OAS would receive a combined monthly GIS and OAS payment of \$1,328 (\$15,936 annually), This represents 72% of the LIM-AT threshold for a single person with a shortfall of \$6,197.

²² Employment and Social Development Canada, Quarterly report of Canada Pension Plan and Old Age Security monthly amounts, 2015

Figure 15. Amount Shortfall from LIM-AT for Single Senior Person, 2015



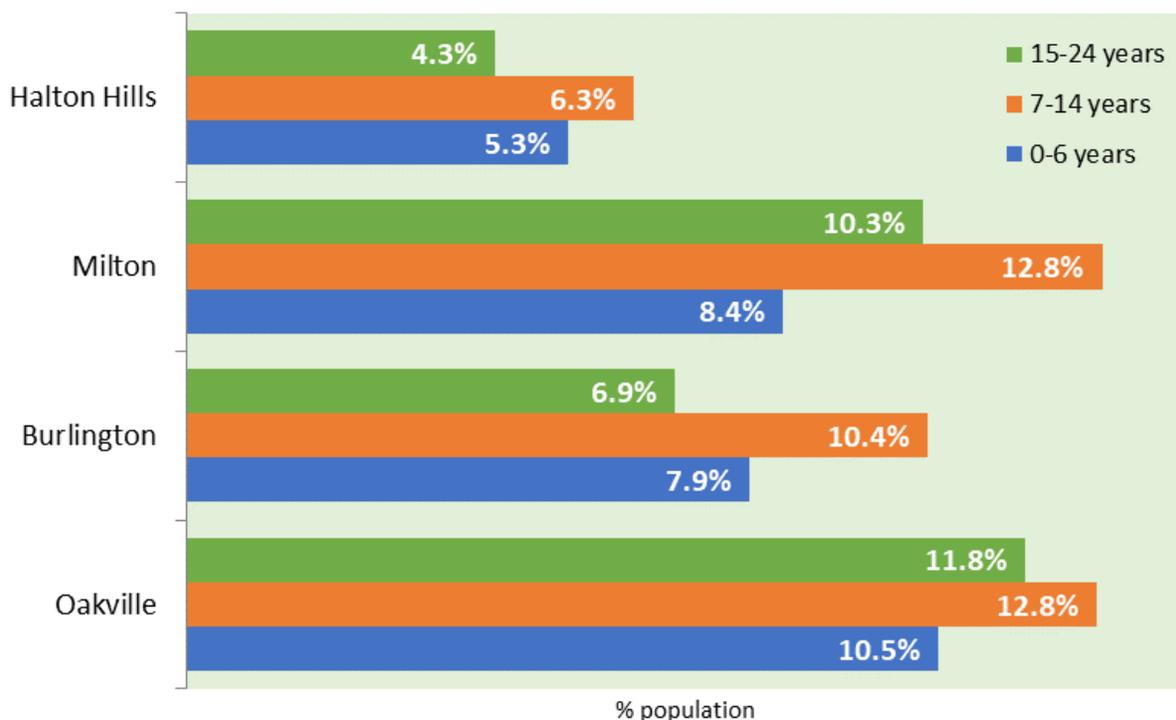
Community Development Halton/Source: Statistics Canada, Canada Revenue Agency

Children

In Halton, there were almost 11,000 children (0-14 years) living in low income households. Over one in ten children lived in poverty. Children under 6 years (8.5% or 3,800 individuals) are poor but this increases to 11.3% (7,100 individuals) children between 7 and 14 years of age.

As shown in Figure 16, children between 7 and 14 living in Oakville and Milton have the highest poverty rate at 12.8%. In fact, Oakville's children (0-14 years) and youth (15-24 years) have the highest poverty rates in Halton.

Figure 16. Children and Youth Poverty Rates by Age and Municipality, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

The likelihood of children living in a low income household increases with the number of children under 18 in the family. For example, according to the 2016 Census, in a two-parent family with one child, the poverty rate is about 9%. That percentage increases to 16% when there are three or more children.

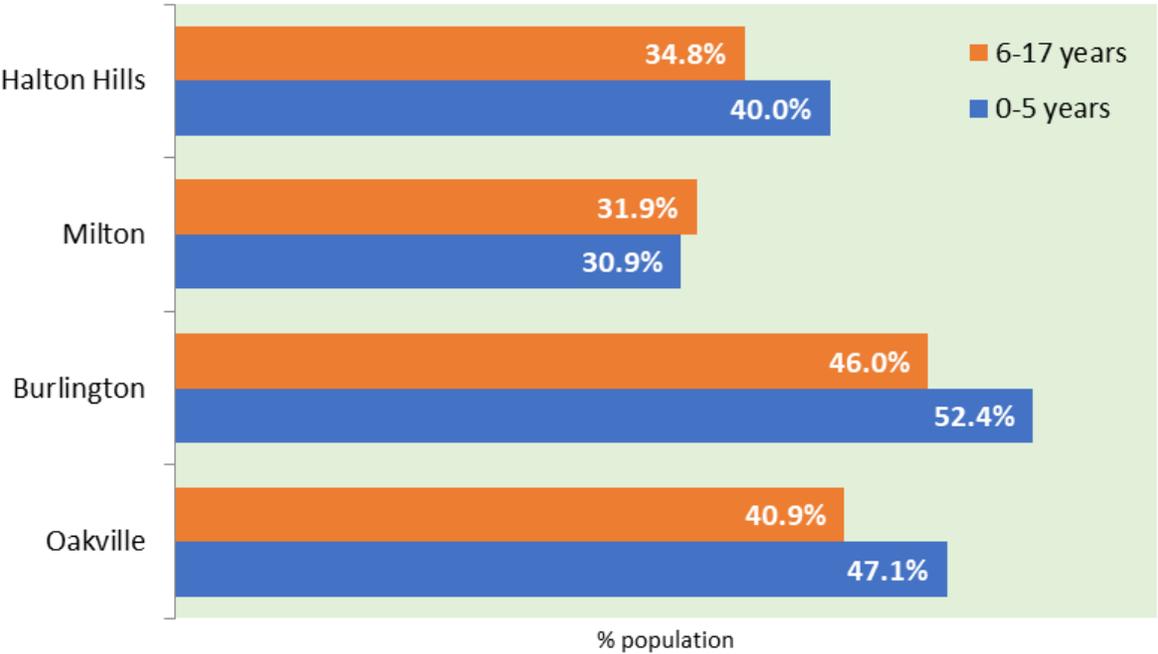
In a lone-parent or single parent family situation, that percentage jumps from 30% with one child to 55% with three or more children.

Children living in a lone-parent family are more than three times as likely to live in a low-income household as children in a two-parent family. The vast majority of children living in

a lone-parent family live with their mother. The poverty rate for these children was much higher than for children who lived with their father (42% compared to 25.5%)

Children in newcomer families also have high poverty rates. Over half (52.4%) of newcomer children under 6 in Burlington live in poverty. Over 40% of newcomer children under 17 in Oakville live in low income families.

Figure 17. Newcomer Children Poverty Rate by Age and Municipality, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

With limited financial resources, low income families are forced to make tough choices. How do you pay for daily essentials such as food, rent, transportation, and clothing? In 2016²³, low income families spent almost half (47%) their income on shelter and food. They often resort to food banks or similar organizations for food. Food insecurity is a constant challenge. In 2013/14, 6.8% of Halton households were food insecure²⁴. It has detrimental effects on children’s immediate and long-term physical development, mental health and behaviour. For example, many children go to school hungry. According to a survey conducted by Halton Our Kids Network, almost one in three (31%) grade 7 students and nearly half (47%) of grade 10 students did not have breakfast everyday in a school week.

²³ Statistics Canada, *Survey of Household Spending, 2016*. CANSIM Table 203-0022
²⁴ Halton Region, *Health Indicator Report*, February 2018

Single Mothers

Female lone parent families are led by women who were separated, divorced, widowed or never married.

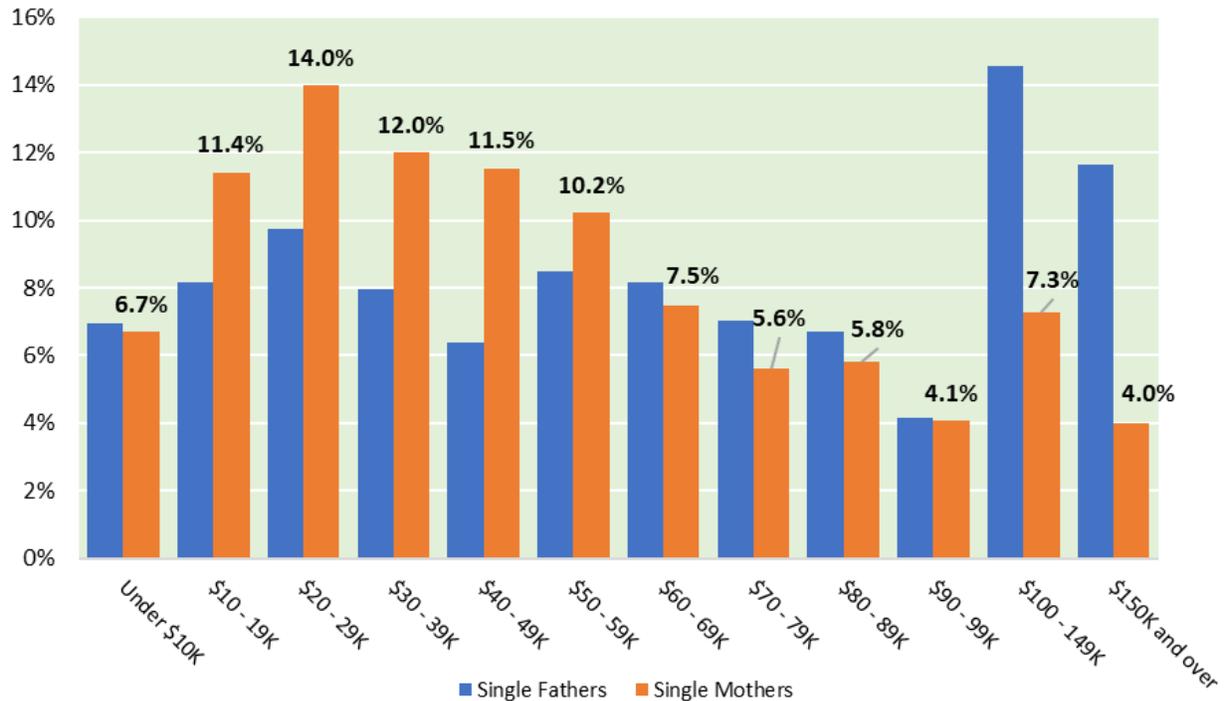
In 2016, there were about 16,400 single mothers living in Halton, six in ten single mothers were divorced (35%) or separated (25%). Almost 1 in 6 single mothers (18%) have never legally married.

Single parenthood can bring added pressure and stress to the job of raising children. With no one to share day-to-day responsibilities or decision-making, single parents must provide greater support for their children while they themselves may feel alone.

Single mothers' participation in the labour market is less than their male counterparts. There is a higher percentage of single mothers not working. Also, working single mothers are more likely to work part year and/or part-time. This labour force participation negatively impacts single mothers' employment income and, ultimately, the wellbeing of their families.

The median total income for single mothers was \$46,180 which was equivalent to 72% of their male counterparts (\$62,780). As shown in Figure 18, the percentage (26%) of single fathers earning over \$100,000 was more than double that of the single mothers (11%). On the other hand, about one-third of the single mothers made less than \$30,000 compared to one-quarter for single fathers.

Figure 18. Percentage Distribution of Single Parents by Total Income, Halton Region, 2015



Community Development Halton/Source: Statistics Canada, 2016 Census

Over 3,100 single mothers live in poverty in Halton. Their poverty rate is 19% compared to 8.2% for the overall population. As shown in Table 7, the poverty rates for single mother population vary among local municipalities.

Table 7. Single Mother Population Poverty Rate by Municipality, Halton Region, 2015

	Single Mother Population	Single Mother Population in Poverty	Single Mothers Poverty Rate
Oakville	5,705	1,320	23.1%
Burlington	6,105	1,165	19.1%
Milton	2,865	405	14.1%
Halton Hills	1,765	235	13.3%
Halton Region	16,440	3,125	19.0%

Source: Statistics Canada, 2016 Census

Working Poor

Work or employment is commonly understood as a means for individuals and families to have a decent living. With the rising cost of living, the prevalence of low wages and precarious employment²⁵, having a job or working is no longer a guarantee to a decent living. Many working individuals and their families trapped in poverty are becoming the working poor.

As with poverty, there are many ways to define working poor. Using Statistics Canada's taxfiler data, working poor is defined as individuals with an after-tax income below the After-tax Low Income Measure (LIM-AT) and earning an annual working income²⁶ of over \$3,000. The income threshold of \$3,000 reflects the federal government's Working Income Tax Benefit (WITB) refundable tax credit intended to provide tax relief for eligible working low-income individuals and families who are already in the workforce and to encourage other Canadians to enter the workforce. In 2015, a working poor individual earned more than \$3,000 but less than \$22,133 (LIM-AT for a single person).

As shown in Table 8, in 2015 there were over 465,000 working poor individuals in Ontario. They represented about 7.1% of the population (18-64 years) excluding full-time students living on their own.

In Halton, the working poor population exceeds 12,000, accounting for 4.7% of the working age population. Milton has the highest percentage at 5.7% followed by Oakville at 4.9%, Burlington at 4.2% and Halton Hills at 3.7%.

²⁵ As defined by PEPSO (Poverty and Employment Precarity in Southern Ontario), *It's More than Poverty- Employment Precarity and Household Well-being, February 2013* – workers in precarious employment usually have no control over their work schedules; no benefits or training that are available to full-time permanent staff and more likely to have more than one job

²⁶ Working income is the total amount of an individual's income for the year from employment and business, excluding losses

Table 8. Working Poor Individuals by Municipality, Halton Region, 2015

	Column A Population (18-64 years) excluding full-time students living on their own	Column B All Working poor individuals (18-64 years)	% Column B/ Column A
Oakville	92,230	4,560	4.9%
Burlington	85,650	3,590	4.2%
Milton	56,020	3,210	5.7%
Halton Hills	30,920	1,130	3.7%
Halton Region	264,820	12,490	4.7%
Ontario	6,556,730	465,720	7.1%

Source: Statistics Canada, Income Statistics Division, T1 Family File 2015, Reference #14052

Social Assistance Recipients

Ontario has two social assistance programs to help residents who are in financial need. The Ontario Works (OW) program provides income and employment assistance to those most in need. It provides temporary financial assistance to cover basic needs (e.g. food) and housing cost as well as assistance to prepare for and find employment. The Ontario Disability Support Program (ODSP) provides income and employment assistance to people living with disabilities.

The amount of financial assistance received is dependent on a number of factors including family size, income, assets and housing costs. Table 9 shows examples of social assistance rates for 2016. The payment consists of three components (basic needs, maximum shelter amount and Ontario Child Benefit).

Table 9. Monthly Ontario Works (OW) and Ontario Disability Support Program (ODSP) Payment by Selected Family Type, 2016

	Basic Needs	Max Shelter	Ontario Child Benefit	Total
OW – single	\$305	\$376	\$0	\$681
OW – single parent with 1 child under 13	\$342	\$609	\$113	\$1,064
OW – couple with 2 children both under 13	\$468	\$718	\$226	\$1,412
ODSP – single	\$631	\$479	\$0	\$1,110

Source: Income Security Advocacy Centre, Social Assistance Rates Update (September 2016)

Social assistance recipients have challenges in order to pay the rent, buy food or other daily necessities. A single person on social assistance, for example, must find another \$448 every month to pay for rent and a nutritious diet²⁷. A single mother with two children (aged 8 and 14) has about \$93 to pay for childcare, school supplies, personal and home care, and transportation.

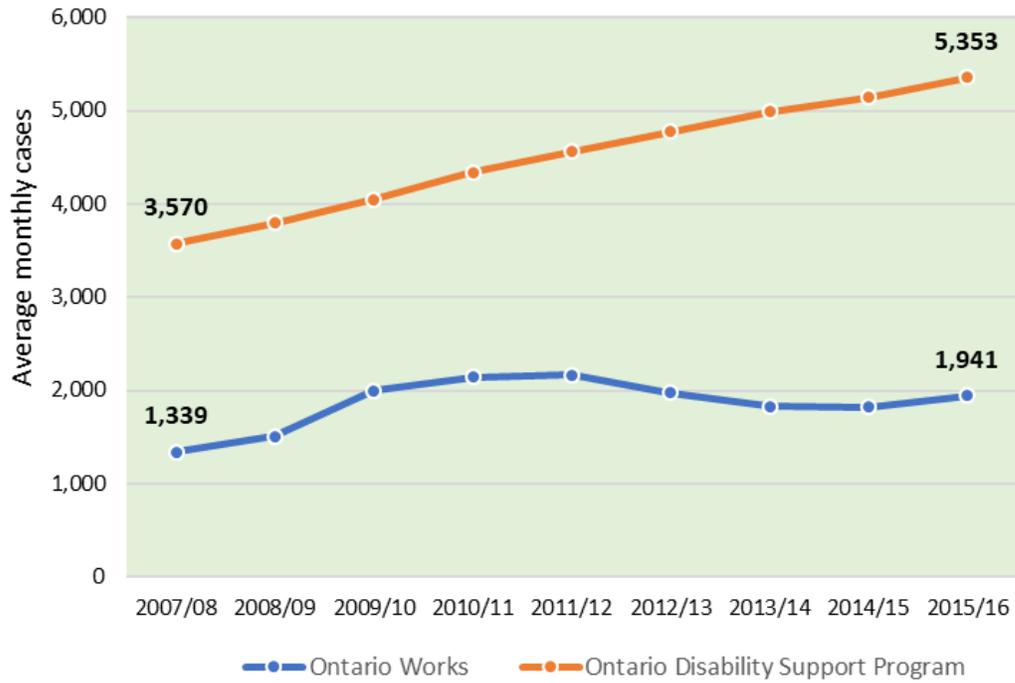
The number of social assistance recipients is growing in Halton. Over the past nine years (2007-2016) the average social assistance monthly cases (OW and ODSP) have increased by 49% compared to the provincial average of 36%. The growth of ODSP cases (50%) exceeded OW cases (45%) by 5 percentage points.

As shown in Figure 19, the impact of the global recession in 2008/2009 is evident. The OW average monthly cases jumped by 33% between 2008/09 and 2009/10. Although the rate of

²⁷ Halton Region. Nutritious Food Basket Results, 2016

increase has since slowed down, the number of cases has not returned to pre-recession level. Many individuals and families are still struggling.

Figure 19. Ontario Works (OW) and Ontario Disability Support Program (ODSP) Average Monthly Cases, Halton Region, 2007-2016



Community Development Halton/Source: Ontario Ministry of Community and Social Services

Implications

- The widening income gap between the rich and the poor impacts negatively on economic growth, standard of living, health, well-being and social inclusion.
- Poverty can and does lead to illness, but the opposite is also true. Illness leads to poverty by reducing household savings, overall productivity, and quality of life for individuals and families.
- Lower income levels for women have a direct impact on single mother families and single senior women. This may limit their ability to cover the necessary costs to meet their needs.
- The proportion of the visible minority population is growing but their income is not keeping pace. They also have higher poverty rates.
- There is a significant income gap between newcomers and the overall population. Newcomers face many challenges such as assessment of foreign credentials, employment opportunities, language needs, education and cultural differences.
- Income paid on both Ontario's social assistance programs (i.e. Ontario Works and Ontario Disability Support Program) is below the poverty line keeping recipients in deep poverty.
- Many low income seniors have to rely on government transfers such as the Canada Pension Plan (CPP), Old Age Security (OAS), Guaranteed Income Supplement (GIS) and other forms of social assistance. However, for many seniors the amount received still falls short of the poverty line.