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Subject: New data on low income in Canada, suggesting a higher poverty rate than often interpreted and reported

Human Resources and Social Development Canada (HRSDC) has just released a new report, *Low Income in Canada: 2000-2006 Using the Market Basket Measure.*

The Market Basket Measure (MBM) is a more robust proxy indicator of poverty in Canada compared to other principal low income measures.

Using the MBM, this report documents a decline in the incidence of low income from 2000-2006, from 14.6% to 11.9%. The 11.9% markedly contrasts with the 10.5% incidence of low income using the Low Income Cut-Off After Tax: the LICO AT is perhaps the most widely used proxy indicator of poverty.

Other key findings from the report include:

- The depth of low income in Canada ("the average gap between the disposable income of all economic families in low income and their low-income thresholds expressed as a percentage") was 31.4% in 2006, virtually unchanged from 32.2% in 2000. In other words, the average "economic family" in low income in 2006 lived some 31% below that family's inferred poverty line, using the MBM as the poverty proxy.
- For children and youth under 18 the incidence of low income was 14.4% in 2006, a drop from 18.1% in 2000 but nonetheless higher than the 11.4% reported in 2006 using the LICO AT.
- The highest risk demographic group for low income in 2006 was "unattached individuals" aged 45-64, with a 33.8% incidence of low income (i.e., one in three single adults aged 45-64 lived in low income in 2006). Other high risk groups were the disabled (32.8%), lone parents (30.7%), Aboriginal Canadians off reserve (28.6%), and recent immigrants (24.2%).
- The lowest risk demographic group was seniors 3.3%, notably due income transfers (e.g., Canada Pension Plan, Old Age Security, Guaranteed Income Supplement) available for this group.

For the full report, see

http://www.hrsdc.gc.ca/eng/publications_resources/research/categories/inclusion/2008/sp-864-10-2008/page00.shtml.