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POVERTY PROFILE 1998

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INTRODUCTION

The National Council of Welfare was pleased to see many of the poverty rates in Canada decrease slightly in 1998. For the first time since 1994, fewer than 5 million children, women and men in Canada were living in poverty. The poverty rate of 16.4 percent was the lowest since 1992. But, should we be celebrating? Hardly, if at all. The small drop in poverty was a dismal showing for a wealthy country in its seventh consecutive year of economic growth.

A total of 4.9 million people or 16.4 percent of the people in Canada were poor in 1998. This was 1.4 million or 41 percent more than in 1989, the last full year before the last recession.

In spite of talk by governments about putting children first, approximately one in five children in Canada, or 1.3 million, were poor in 1998. This was an increase of roughly 400,000, or 42 percent, since 1989, the year of the House of Commons resolution to end child poverty by 2000. The jump was especially noticeable in Ontario where the number of poor children was close to double what it was in 1989.

It has become obvious that people on the low end of the income scale are cut off from the ongoing economic growth that most Canadians are enjoying. It is also obvious that in these times of economic prosperity and government surpluses that most governments are not yet prepared to address these problems seriously, nor are they prepared to ensure a reasonable level of support for low-income people either inside or outside of the paid labour force.

Some of the statistics are particularly disturbing:

- Most poor people live thousands of dollars below the poverty line. In fact, the number of people living at less than 50 percent of the poverty line has grown dramatically in recent years, from 143,000 families and 287,000 unattached individuals in 1989 to 233,000 families and 463,000 unattached individuals in 1998. Living at less than 50 percent of the poverty line means that a family of four in Toronto survives, somehow, on total income of \$16,353 or less per year, or \$1,363 or less a month.
- Even with slight improvements in 1998, poverty rates for single-parent mothers and their children remain shockingly high, a sad testimony to the 1989 House of Commons resolution to eliminate child poverty by the turn of the century. The overall poverty rate for single-parent mothers was 54.2 percent in 1998, and the rate for families led by single-parent mothers less than 25 years old was an abysmal 85.4 percent. Eighty-three thousand single-parent mothers were living at less than 50 percent of the poverty line in 1998. This was the highest number recorded between 1989 and 1998 other than the peak of 99,000 in 1996.
- People under age 25 have seen their poverty rates shoot up in the 1990s from rates that were already too high. The poverty rate for families with heads under age 25 went from

28 percent in 1989 to 43.3 percent in 1998, and the rate for unattached individuals under 25 went from 47.8 percent in 1989 to 60.7 percent in 1998.

- As in previous years, the only real bright spot was the poverty statistics for seniors. The poverty rate for people 65 and older was 17.5 percent in 1998, the lowest rate since 1995. However, the poverty rate for unattached women 65 and older was 39.4 percent, one of the higher rates for any family type.

Poverty Profile 1998 is the latest annual report by the National Council of Welfare based on factual material compiled by Statistics Canada. It includes numerous statistics for 1998 and poverty trends dating back to 1980. As in the past, the report is an analysis of the facts rather than a blueprint for eliminating poverty, and it contains no specific recommendations as such. The National Council of Welfare has published many other reports over the years that are full of proposals for combating poverty.

Most of the data presented in Poverty Profile cover poverty for one year only. They do not tell us how many of the people who were poor in 1998 were also poor in previous years or how long they were likely to remain poor. Statistics Canada's Survey of Labour and Income Dynamics will provide us with ongoing data about the dynamics of poverty. The National Council of Welfare plans to incorporate information about the changes in people's incomes over time in future issues of Poverty Profile.

The National Council of Welfare hopes that this report will shed some light on poverty in Canada, a subject that is much discussed but little understood. Myths and stereotypes about poverty and poor people are deeply rooted in our society. We hope this report will help dispel these misconceptions and spur governments into using all the tools at their disposal to make it possible for all Canadians to share in the great bounty our country has to offer. Most importantly, we hope it will point governments toward their priorities for the new century: ensuring a fairer chance for everyone to benefit from the enormous government surpluses.

I. METHODOLOGY AND DEFINITIONS

Since 1965, Statistics Canada has used a household survey known as the Survey of Consumer Finances (SCF) to obtain information on the distribution of income and the nature and extent of poverty in private households in Canada. In 1993, Statistics Canada introduced a new survey, the Survey of Labour and Income Dynamics (SLID), with much the same objectives but using a different approach. While SCF took a snapshot of the lives of people at a particular point in time, SLID follows people for six years to see how their circumstances change over time. Starting with the 1996 reference year, SLID replaces SCF as the source of annual income estimates.

Until this year, Poverty Profile used SCF as the source of poverty statistics. As SCF has been discontinued, this year's report is based on data from the two surveys. Data for 1997 and 1998 are taken from SLID while data for earlier years is from SCF. The 1998 SLID was conducted in January and May of 1999 and sampled roughly 30,000 private households from all parts of the country except for Yukon, the Northwest Territories, Indian reserves, and institutions such as prisons, mental hospitals, and homes for the elderly. The survey looked at incomes for the 1998 calendar year. Close to three-quarters of SLID respondents gave their consent to the use of their TI tax information to provide income data.

NOTE TO READERS

Poverty statistics for 1997 in this report will differ slightly from those in Poverty Profile 1997. This is due to the introduction of 1997 SLID data in this year's report. The National Council of Welfare chose to replace 1997 SCF data with 1997 SLID data so that changes observed between 1997 and 1998 would not be affected by the change in the data source for 1998. Statistics Canada has closely monitored the comparability of SCF and SLID and concluded that the surveys tell the same stories about income in Canada and produce comparable results.¹ The results from the two 1997 surveys are both "correct" and should be considered equally valid sources of information about poverty in Canada.

The 1998 results were published by Statistics Canada under the title Income in Canada, 1998. Statistics Canada also provided custom tabulations to the National Council of Welfare². We are grateful for the assistance provided by officials of the agency, especially Philip Giles, Cathy Cotton and Kevin Bishop of the Income Statistics Division. The analysis and interpretation of the data, however, is the responsibility of the National Council of Welfare, not Statistics Canada.

Information about poverty is obtained by comparing the survey data with the low income cut-offs or LICOs of Statistics Canada. The LICOs represent levels of gross income where people spend disproportionate amounts of money for food, shelter and clothing. Statistics Canada has

¹ For further information, consult Statistics Canada publications such as A Comparison of the Results of the Survey of Labour and Income Dynamics (SLID) and the Survey of Consumer Finances (SCF) 1993-1997: Update (Catalogue No. 75F0002M - 99007).

² The unpublished data provided by Statistics Canada excluded one record that had such an extremely high value for one source of income that it substantially affected a number of income measurements traditionally used in Poverty Profile. Some figures shown in this edition of Poverty Profile may, therefore, differ slightly than those published by Statistics Canada.

decided over the years - somewhat arbitrarily - that 20 percentage points is a reasonable measure of the additional burden. The average Canadian family spent 36.2 percent of gross income on food, shelter and clothing according to 1986 data on spending patterns, so it was assumed that low-income Canadians spent 56.2 percent or more on the necessities of life.

The low income cut-offs vary by the size of the family unit and the population of the area of residence. There are seven categories of family size, from one person to seven or more persons, and five community sizes ranging from rural areas to cities with 500,000 or more residents. The result is a set of 35 cut-offs. The cut-offs are updated annually by Statistics Canada using the Consumer Price Index.

The cut-offs used in this report for the year 1998 are technically known as 1986 base LICOs, because of the year in which spending on food, shelter and clothing was surveyed. The entire set of 35 cut-offs for 1998 appears below as Table 1.1. The National Council of Welfare's estimates of the cut-offs for 1999 and 2000 appear in Appendix A.

Over the years, Statistics Canada has published several other sets of low income cut-offs, and it started using 1992 base cut-offs as its preferred measure in Income Distributions by Size in Canada, 1992. Readers are cautioned that the poverty statistics in this report using the 1986 base cut-offs differ slightly from reports using the 1992 base cut-offs. The National Council of Welfare plans to switch to the 1992 base cut-offs in the next edition of Poverty Profile.³ Either base year is a suitable method of examining poverty in Canada. As the 1992 base data are now more commonly used and published, the Council will use the 1992 base data in our next report.

³ The methodology used to set the 1992 base low income cut-offs is the same as the methodology used to set the 1986 base low income cut-offs. However, the 1992 survey data estimated average expenditures on food, shelter and clothing at 34.7 percent of total income, so it was assumed that low-income people would spend 54.7 percent or more of their incomes on necessities.

TABLE 1.1: STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1998

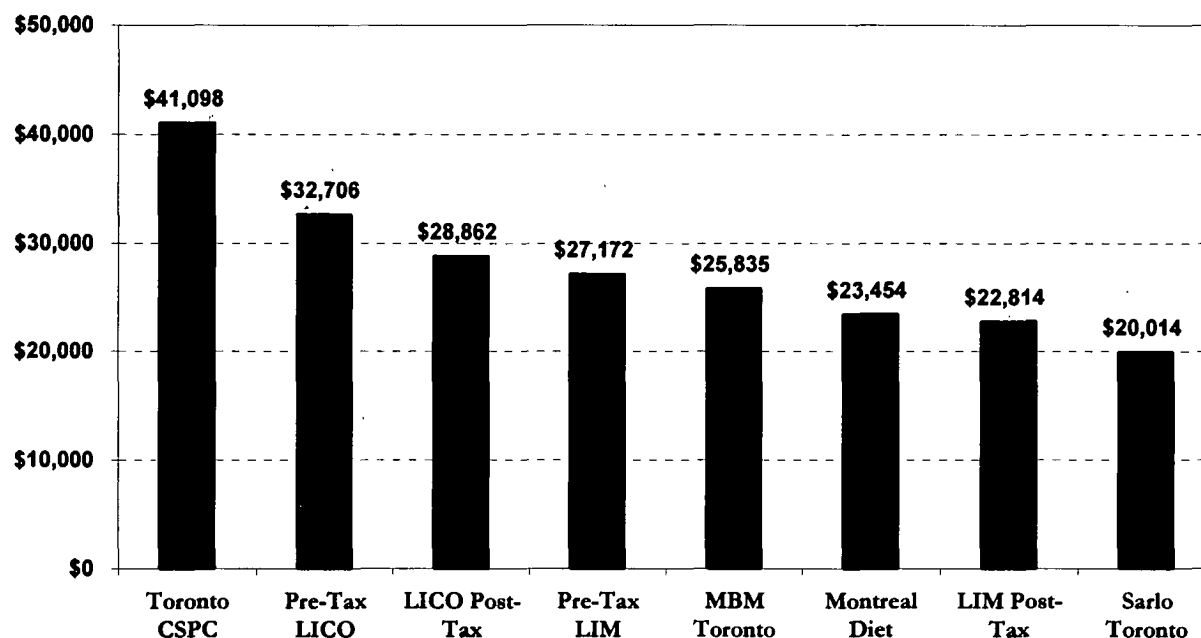
Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$16,486	\$14,481	\$14,146	\$12,896	\$11,223
2	\$22,346	\$19,629	\$19,175	\$17,478	\$15,215
3	\$28,405	\$24,951	\$24,373	\$22,217	\$19,337
4	\$32,706	\$28,723	\$28,062	\$25,582	\$22,264
5	\$35,732	\$31,384	\$30,659	\$27,949	\$24,327
6	\$38,787	\$34,064	\$33,279	\$30,336	\$26,406
7+	\$41,717	\$36,642	\$35,795	\$32,631	\$28,401

The National Council of Welfare and many other social policy groups regard the LICOs as poverty lines and use the terms poor and low-income interchangeably. Statistics Canada takes pains to avoid references to poverty. It says the cut-offs have no official status, and it does not promote their use as poverty lines.

Regardless of the terminology, the cut-offs are a useful tool for defining and analyzing the significantly large portion of the Canadian population with low incomes. They are not the only measures of poverty used in Canada, but they are the most widely accepted and are roughly comparable to most alternative measures.

Figure 1.1 shows eight alternative measures of poverty, two versions of the low-income cut-offs of Statistics Canada (1986 base) and six other lines sometimes seen in other published reports on poverty.⁴

**Figure 1.1: Poverty Lines for a Family of Four
Living in a Large City, 1998**



Toronto CSPC, the description of the first bar in Figure 1.1, refers to the budget guides of the Community Social Planning Council of Toronto, formerly the Social Planning Council of Metropolitan Toronto. The original calculation was updated to 1998 by the National Council of Welfare using the Consumer Price Index.

The next two bars represent two different versions of the low income cut-offs of Statistics Canada. The pre-tax LICO is based on total income including government transfers, but before the deduction of federal, provincial or territorial income taxes. The post-tax LICO is based on after-tax income, that is, total income including government transfers less federal, provincial or territorial income taxes.

⁴ Some of the information for Graph A comes from Chapter 2 of *The Canadian Fact Book on Poverty - 1994* by David P. Ross, E. Richard Shillington and Clarence Lochhead, published by the Canadian Council on Social Development, and the 1996 edition of *Poverty in Canada* written by Christopher A. Sarlo and published by the Fraser Institute.

Pre-tax LIM and LIM post-tax refer to the low income measures of Statistics Canada, measures which are both based on one-half of median family income. LIMs vary with family size and composition, but they are the same in all parts of the country. They do not reflect the reality of higher costs of living in large cities and lower costs of living in rural areas. The two sets of LIMs are the only lines in Figure 1.1 that do not vary from place to place in Canada.

One-half of median family income adjusted for family size is the approach most often used in international comparisons of poverty. LIMs and similar measures provide interesting comparisons at a given point in time, but they tend to be “flat” over time and do not track well against the ups and downs of the economic cycle.

MBM Toronto stands for the market basket measures being developed by Human Resources Development Canada for the federal, provincial and territorial governments. The MBMs are very loosely based on the cost of buying a basket of goods and services in the local marketplace. The bar in Figure 1.1 is for a family living in Toronto. The National Council of Welfare updated the figure to 1998, but the update does not reflect changes in methodology that were made after 1996.

Montreal Diet refers to the income needed for a minimum adequate standard of living for a two-earner couple with a 15-year-old son and a ten-year-old daughter in Montreal as calculated by the Montreal Diet Dispensary and updated by the National Council of Welfare. The group also has basic needs guidelines strictly intended for short-term assistance that are somewhat lower.

Sarlo Toronto is the poverty line for Toronto calculated by Christopher A. Sarlo and updated to 1998 by the National Council of Welfare. Professor Sarlo also has “social comfort lines” that are twice as high as his poverty lines.

Poverty statistics are often broken down according to families and unattached individuals. The survey that gathered the data defined a family as a group of individuals sharing a common dwelling unit and related by blood, marriage or adoption. The definition includes couples living in common-law relationships. Most of the data in this report is expressed in terms of families rather than the number of people in family units. Unattached individuals are defined as people living alone or in households where they are not related to other household members.

A poor or low-income family has an income below the poverty line, while a “non-poor” family has an income above the poverty line. The same applies for unattached individuals.

Poverty rates compare the number of poor persons, families or unattached individuals in a particular category to all the persons, families or unattached individuals in the same category. For example, there were an estimated 314,000 poor families with children under 18 headed by a female single parent under age 65 in 1998. The estimated total number of families with children under 18 headed by a female single parent under 65 was 580,000. The poverty rate was 314,000 divided by 580,000 or 54.2 percent.

Sometimes, the terms incidence of poverty or risk of poverty are used instead of the poverty rate. The meaning of all three terms is the same.

Income refers to money income reported by all family members 16 years or older. Income includes gross wages and salaries, net income from self-employment, investment income, government transfer payments (Employment Insurance, Old Age Security, Canada and Quebec Pension Plans, Guaranteed Income Supplements, Spouse's Allowance, Child Tax Benefit, other child credits or allowances, welfare from provincial and municipal programs, workers' compensation benefits, GST/HST credits, provincial and territorial tax credits and any other government transfers), pensions, and miscellaneous income (scholarships and child support payments, for example).

Some sections of this report refer to earnings rather than income. Earnings means gross wages and salaries and net income from self-employment.

Statistics Canada revised its low income data for the period 1980 through 1993 in the 1994 version of Income Distributions by Size in Canada. The revisions included shifting population estimates to the 1991 census base, adjusting the estimates to correct under coverage, and including non-permanent residents physically present in Canada.

The National Council of Welfare decided as a general rule to continue using the data for earlier years as originally published. The revisions have very little effect on rates of poverty, but they tend to add slightly to the number of people living in poverty. Poverty data that is based on the revised Statistics Canada weights are used in a few instances in this report, and these exceptions are noted in the footnotes.

II. RECENT POVERTY TRENDS

In 1998, most poverty rates dipped slightly but remained substantially higher than they were in the years immediately before the 1990-1991 recession. Over 4.9 million people in Canada, including 1.3 million children, lived in poverty in 1998. Of particular concern, poverty rates for people under 65 remained very high by historic standards despite seven consecutive years of economic growth.

Meanwhile, poverty rates among seniors continued their downward decline with the exception of rates for unattached men. The rate for unattached women 65 and older continued to decrease to yet another record low in 1998.

This chapter shows the major national trends in poverty from 1980 through 1998 using two types of measures. The first looks at Canadians as individuals regardless of their family circumstances, and the other looks at people by family type or as unattached individuals living outside families.

POVERTY TRENDS FOR INDIVIDUAL CANADIANS

One way to examine poverty is to look at the number of individuals who are living in poverty. Table 2.1 shows the number of poor people, the total population and the poverty rate for each year from 1980 to 1998.

In 1980, the poverty rate was 15.3 percent with just over 3.6 million people living in poverty. The number of poor people and the poverty rate rose following the recession of 1981-1982 and then declined slowly to a low in 1989 of 3,487,000 poor people and a poverty rate of 13.6 percent. The poverty rate and the number of poor people increased again with the recession of 1990-1991. However, unlike the 1980s, the number of poor people and the poverty rate did not decline following the 1990-1991 recession. Instead, the number of people living in poverty steadily increased to record highs while poverty rates stayed fairly constant at slightly more than 17 percent.

It is only in 1998 that we have seen a decline in the number of poor people. For the first time since 1994, less than 5 million people are living in poverty. There was also a slight decrease in the poverty rate to 16.4%, the lowest rate since 1992. Even with the decline, however, both those figures were substantially higher than the comparable figures for the years immediately preceding the last recession.

TABLE 2.1: POVERTY TRENDS, ALL PERSONS

	Poor Persons	All Persons	Poverty Rate
1980	3,624,000	23,626,000	15.3%
1981	3,643,000	23,814,000	15.3%
1982	3,951,000	24,021,000	16.4%
1983	4,406,000	24,229,000	18.2%
1984	4,397,000	24,348,000	18.1%
1985	4,170,000	24,535,000	17.0%
1986	3,976,000	24,807,000	16.0%
1987	3,912,000	25,075,000	15.6%
1988	3,744,000	25,348,000	14.8%
1989	3,487,000	25,729,000	13.6%
1990	3,821,000	26,099,000	14.6%
1991	4,227,000	26,495,000	16.0%
1992	4,320,000	26,901,000	16.1%
1993	4,775,000	27,398,000	17.4%
1994	4,795,000	28,867,000	16.6%
1995	5,070,000	29,193,000	17.4%
1996	5,190,000	29,542,000	17.6%
1997	5,300,000	29,730,000	17.8%
1998	4,910,000	29,994,000	16.4%

Similar trends were evident in the child poverty statistics shown in Table 2.2. In the 1980s, the number of children living in poverty and the child poverty rate rose with the recession of 1981-1982, peaking in 1984 and then declining for the rest of the 1980s. When the House of Commons unanimously passed a resolution in 1989 to work to eliminate child poverty by 2000, the number of poor children was 934,000 and the child poverty rate was 14.5 percent.

TABLE 2.2: POVERTY TRENDS, CHILDREN UNDER 18

	Poor Children	All Children	Poverty Rate
1980	984,000	6,619,000	14.9%
1981	998,000	6,552,000	15.2%
1982	1,155,000	6,476,000	17.8%
1983	1,221,000	6,437,000	19.0%
1984	1,253,000	6,377,000	19.6%
1985	1,165,000	6,361,000	18.3%
1986	1,086,000	6,390,000	17.0%
1987	1,057,000	6,380,000	16.6%
1988	987,000	6,395,000	15.4%
1989	934,000	6,438,000	14.5%
1990	1,105,000	6,522,000	16.9%
1991	1,210,000	6,606,000	18.3%
1992	1,218,000	6,704,000	18.2%
1993	1,415,000	6,799,000	20.8%
1994	1,334,000	6,997,000	19.1%
1995	1,441,000	7,011,000	20.5%
1996	1,481,000	7,093,000	20.9%
1997	1,439,000	7,081,000	20.3%
1998	1,327,000	7,052,000	18.8%

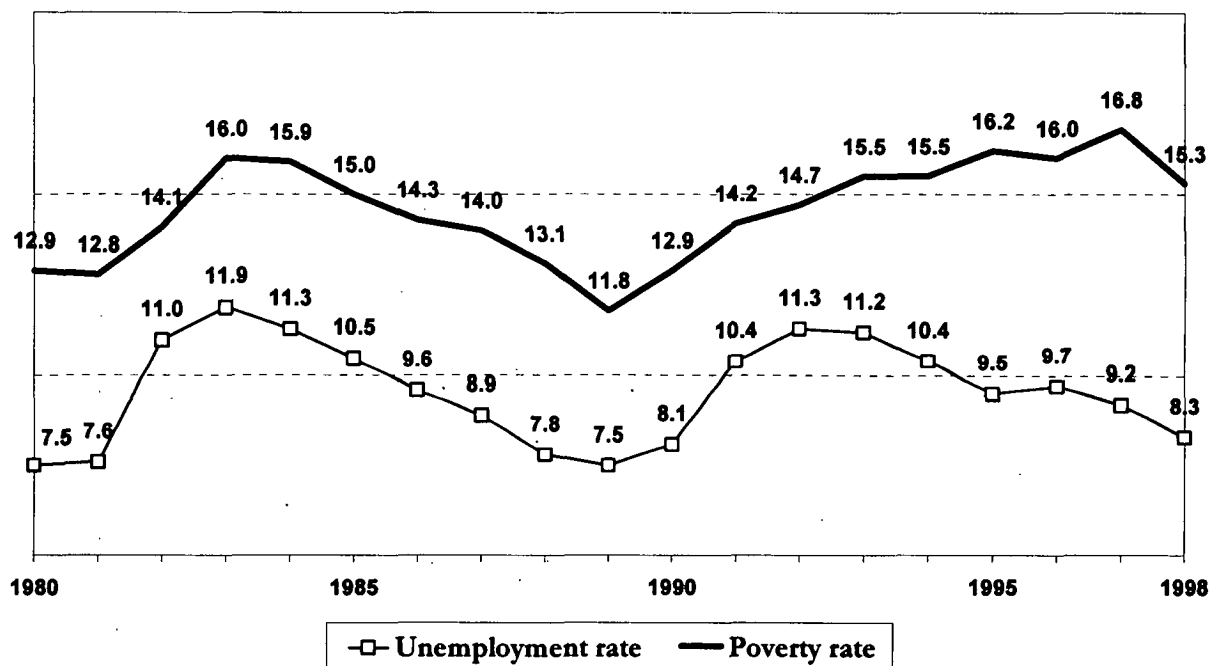
The recession of 1990-1991 drove child poverty up once again. It peaked in 1996, when nearly 1.5 million children were living in poverty and the child poverty rate was 20.9 percent. The modest decline that began in 1997 continued in 1998 when 1.3 million children lived in poverty and the poverty rate was 18.8 percent. However, these figures are still substantially higher than the low of 1989.

Additional information on child poverty by family type and provincial child poverty statistics appear later in this report.

Children are poor because their parents are poor, and one of the main reasons for poverty among parents is a lack of good jobs. It should come as no surprise that the poverty rates for adults under age 65 tend to move up and down in line with changes in the unemployment rate. However, the link has become much weaker in this decade.

Figure 2.1 shows the average annual unemployment rate for people 15 and older and the poverty rate for people ages 18 to 64, the group most likely to be in the labour force. In 1998, the unemployment rate was 8.3 percent and the poverty rate was 15.3 percent.

**Figure 2.1: Unemployment and Poverty
Among Working-Age People**



Until 1993, the unemployment rate and the poverty rate moved together. As the unemployment rate increased, the poverty rate increased and as the unemployment rate fell, the poverty rate fell.

In the recovery from the recession of 1990-1991, the pattern changed. The unemployment rate steadily decreased, but the poverty rate did not. In fact, the poverty rate for adults under age 65 increased slightly. It was only in 1998, after six years of a downward trend in the unemployment rate, that a small dip in the poverty rate for working age people was observed. The current cycle of economic growth appears to be bypassing many people at the lower end of the income scale.

One group that is largely immune from high unemployment rates is seniors, because most seniors are not in the labour force. The poverty rates for people 65 and older are more a reflection of public and private pension programs than the economy.

While the total number of seniors increased by 65 percent between 1980 and 1998, the number of seniors who live in poverty fell 14 percent. In 1980, 731,000 seniors lived in poverty compared to 629,000 in 1998 as shown in Table 2.3. The poverty rate for seniors dropped sharply from 33.6% in 1980 to 17.5% in 1998.

The improvement in the lives of seniors was the direct result of government programs and policies dating back to the 1960s. Among the more important steps in decreasing poverty for seniors was the creation of the federal government's Guaranteed Income Supplement in 1967 for low-income seniors and the creation of the Canada Pension Plan and Quebec Pension Plan in 1966. The Canada Pension Plan was the result of co-operation between the federal and provincial governments to make sure workers put away a modest amount of money every year for their retirement. The CPP still operates as a partnership between the two levels of government.

TABLE 2.3: POVERTY TRENDS, PEOPLE 65 AND OLDER

	Poor Seniors	All Seniors	Poverty Rate
1980	731,000	2,177,000	33.6%
1981	733,000	2,223,000	33.0%
1982	648,000	2,272,000	28.5%
1983	719,000	2,324,000	30.9%
1984	669,000	2,397,000	27.9%
1985	669,000	2,473,000	27.0%
1986	637,000	2,557,000	24.9%
1987	627,000	2,635,000	23.8%
1988	634,000	2,710,000	23.4%
1989	599,000	2,793,000	21.4%
1990	554,000	2,873,000	19.3%
1991	590,000	2,950,000	20.0%
1992	564,000	3,027,000	18.6%
1993	636,000	3,100,000	20.5%
1994	567,000	3,297,000	17.2%
1995	572,000	3,379,000	16.9%
1996	655,000	3,465,000	18.9%
1997	644,000	3,529,000	18.3%
1998	629,000	3,599,000	17.5%

POVERTY TRENDS FOR FAMILIES AND UNATTACHED INDIVIDUALS

While the poverty statistics for all persons give a good overview of poverty, it is often more revealing to look at poor people in terms of families and unattached individuals, as shown in Table 2.4. Poverty rates for unattached people are normally 2½ to three times higher than the rates for families. In 1998, the poverty rate for unattached individuals was 36.1 percent and the rate for families was 13.2 percent for a ratio of 2.73 to one.

The main reason that families have consistently lower poverty rates than unattached individuals is that they often have a second family member in the paid labour force. The percentage of younger married couples with both spouses in the work force has grown dramatically during the last generation, and two-earner couples now far outnumber one-earner couples. Many older couples are made up spouses who both had careers outside the home and who both get pension benefits aside from the federal government's Old Age Security pension.

An even better view of poverty comes by breaking down families and unattached individuals into their major subcategories. The four main types of families are married couples where the head of the family is 65 or older, married couples under 65 with children under 18, married couples under 65 without children under 18, and single-parent mothers under 65 with children under 18. Altogether, these four subcategories accounted for 78 percent of all poor families in 1998. The other 22 percent was made up of less common family types, such as married couples living with children who were all 18 or older, single-parent fathers and their children, and brothers and sisters who lived together.

The four types of unattached individuals are unattached men under 65, unattached men 65 and older, unattached women under 65, and unattached women 65 and older. Together, they account for 100 percent of unattached individuals.

TABLE 2.4: POVERTY TRENDS, FAMILIES AND UNATTACHED INDIVIDUALS

	Families		Unattached Individuals	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate
1980	830,000	13.2%	1,013,000	41.4%
1981	832,000	13.0%	1,010,000	40.3%
1982	905,000	14.0%	1,034,000	40.2%
1983	1,007,000	15.3%	1,183,000	44.9%
1984	1,032,000	15.6%	1,118,000	41.3%
1985	963,000	14.3%	1,136,000	40.8%
1986	924,000	13.6%	1,112,000	38.3%
1987	895,000	13.1%	1,137,000	37.5%
1988	851,000	12.2%	1,172,000	37.7%
1989	786,000	11.1%	1,100,000	34.4%
1990	874,000	12.1%	1,123,000	34.1%
1991	949,000	13.1%	1,258,000	36.5%
1992	991,000	13.3%	1,247,000	36.2%
1993	1,116,000	14.8%	1,306,000	37.1%
1994	1,108,000	13.7%	1,421,000	37.0%
1995	1,187,000	14.4%	1,399,000	36.1%
1996	1,230,000	14.8%	1,457,000	37.0%
1997	1,212,000	14.7%	1,546,000	37.6%
1998	1,099,000	13.2%	1,535,000	36.1%

The importance of a second wage-earner or second source of pension income becomes obvious from the poverty statistics for the four types of families shown in Table 2.5, Table 2.6, Table 2.7 and Table 2.8. The poverty rates for families headed by single-parent mothers have been five to six times higher on average than the poverty rates for married couples with or without children.

The number and poverty rate of poor couples with children rose and fell with the overall state of the economy from 1980 through the early 1990s until they both got stuck at relatively high levels through the mid-1990s. In 1998, the number and poverty rate of poor couples with children dropped to the lowest levels since 1992. There were 319,000 poor couples under 65 with children under 18 in 1998, and the poverty rate was 10.4 percent. However, these figures are still above the pre-recession low in 1989 when there were 254,000 poor couples under 65 with children and the poverty rate was 8.5 percent.

The total number of couples with children, both poor and non-poor couples, barely changed at all between 1980 and 1998. Over the same time, the total number of single-parent mothers under 65 with children under 18 nearly doubled from 318,000 in 1980 to 580,000 in 1998.

The rise in single parenthood was matched by a rise in the number of poor single-parent mothers. During the recession in the early 1980s, the number of poor single-parent mothers increased slowly along with the total number of single-parent mothers. In the recovery from this recession, the number of poor single-parent mothers declined somewhat but never again reached the 1980 low of 318,000. Following the 1990-1991 recession, the numbers jumped extraordinarily increasing from 207,000 in 1989 to 303,000 in 1992. Since 1993, the number of poor families headed by single-parent mothers has been stuck between 315,000 and 323,000 with the exception of a spike in 1996 of 379,000.

TABLE 2.5: POOR COUPLES UNDER 65 WITH CHILDREN UNDER 18

	Poor Couples under 65 with Children	All Couples under 65 with Children	Poverty Rate
1980	286,000	3,040,000	9.4%
1981	294,000	3,031,000	9.7%
1982	337,000	2,993,000	11.3%
1983	369,000	2,996,000	12.3%
1984	370,000	2,933,000	12.6%
1985	334,000	2,950,000	11.3%
1986	319,000	2,968,000	10.8%
1987	298,000	2,938,000	10.1%
1988	264,000	2,967,000	8.9%
1989	254,000	2,979,000	8.5%
1990	285,000	2,973,000	9.6%
1991	318,000	2,973,000	10.7%
1992	301,000	2,988,000	10.1%
1993	375,000	3,025,000	12.4%
1994	349,000	3,091,000	11.3%
1995	394,000	3,134,000	12.6%
1996	370,000	3,118,000	11.9%
1997	387,000	3,125,000	12.4%
1998	319,000	3,062,000	10.4%

TABLE 2.6: SINGLE-PARENT MOTHERS UNDER 65 WITH CHILDREN UNDER 18

	Poor Single-Parent Mothers under 65	All Single-Parent Mothers under 65	Poverty Rate
1980	183,000	318,000	57.7%
1981	168,000	306,000	54.8%
1982	208,000	342,000	60.9%
1983	218,000	353,000	61.7%
1984	233,000	372,000	62.8%
1985	227,000	362,000	62.5%
1986	208,000	354,000	58.8%
1987	216,000	366,000	59.0%
1988	221,000	390,000	56.7%
1989	207,000	393,000	52.9%
1990	255,000	421,000	60.6%
1991	272,000	440,000	61.9%
1992	303,000	520,000	58.4%
1993	323,000	540,000	59.8%
1994	317,000	554,000	57.3%
1995	323,000	565,000	57.2%
1996	379,000	618,000	61.4%
1997	317,000	553,000	57.2%
1998	314,000	580,000	54.2%

Poverty rates for families headed by single-parent mothers have remained unconscionably high over the past two decades. Between 1980 and 1998, the poverty rate has fluctuated between 53 and 63 percent. Even though the poverty rate in 1998 is at a near record low, more than half (54.2 percent) of these families lived in poverty. Given the increases in the number of single-parent families over the years, the persistently high poverty rate for single-parent mothers has meant an enormous jump in these poor families from 183,000 in 1980 to 314,000 in 1998.

The patterns of poverty among couples without children in recent years were strikingly different for couples under age 65 and couples 65 and older. Table 2.7 and Table 2.8 give the figures for the years 1980 through 1998.

The total number of couples under 65 with no children under 18 rose steadily over the years. The number of these couples who were poor was also substantially higher in the 1990s than it was in the 1980s. Between 1997 and 1998, there was a slight drop in the number of poor couples and the poverty rate. There were 160,000 poor couples under 65 without children in 1998, and the poverty rate was 8.6 percent. This is the lowest poverty rate for this type of family since 1990, but due to the increase in the total number of these families, there were still 33,000 more poor couples in 1998 than in 1990.

The total number of couples 65 and older without children also rose strikingly between 1980 and 1998, but the number of poor couples and the poverty rate dropped sharply. There were 68,000 poor senior couples in 1998 compared to 115,000 in 1980. The poverty rate in 1998 was 7.6 percent, considerably lower than the rate of 22.2 percent in 1980.

TABLE 2.7: COUPLES UNDER 65 WITHOUT CHILDREN

	Poor Couples under 65 without Children	All Couples under 65 without Children	Poverty Rate
1980	87,000	1,255,000	6.9%
1981	97,000	1,256,000	7.7%
1982	119,000	1,297,000	9.2%
1983	130,000	1,276,000	10.2%
1984	133,000	1,310,000	10.2%
1985	120,000	1,354,000	8.9%
1986	129,000	1,359,000	9.5%
1987	129,000	1,431,000	9.0%
1988	119,000	1,468,000	8.1%
1989	115,000	1,552,000	7.6%
1990	127,000	1,524,000	8.3%
1991	141,000	1,523,000	9.3%
1992	138,000	1,561,000	8.8%
1993	152,000	1,542,000	9.9%
1994	182,000	1,883,000	9.7%
1995	197,000	1,891,000	10.4%
1996	199,000	1,935,000	10.3%
1997	172,000	1,852,000	9.3%
1998	160,000	1,863,000	8.6%

TABLE 2.8: COUPLES 65 AND OLDER

	Poor Couples 65 and Older	All Couples 65 and Older	Poverty Rate
1980	115,000	518,000	22.2%
1981	118,000	532,000	22.1%
1982	81,000	565,000	14.4%
1983	94,000	574,000	16.4%
1984	96,000	586,000	16.3%
1985	102,000	605,000	16.9%
1986	104,000	653,000	15.9%
1987	98,000	657,000	14.9%
1988	91,000	688,000	13.2%
1989	77,000	700,000	11.1%
1990	61,000	723,000	8.5%
1991	66,000	731,000	9.0%
1992	66,000	769,000	8.5%
1993	74,000	763,000	9.7%
1994	60,000	878,000	6.8%
1995	70,000	925,000	7.5%
1996	78,000	908,000	8.6%
1997	78,000	869,000	9.0%
1998	68,000	888,000	7.6%

Among unattached people, the poverty statistics vary greatly between women and men and also between seniors and people under 65. Unattached men have lower poverty rates than unattached women and unattached seniors have lower rates than people under 65. All subcategories of unattached individuals have poverty rates that are substantially higher than the rates for married couples, although none of the recent figures is anywhere close to the very high rates for families led by single-parent mothers.

Trends in poverty among unattached men and women are shown in Figure 2.2 and Figure 2.3 on the next page. The poverty rates for unattached people under 65 tended to rise and fall with unemployment rates until the years following the 1990-1991 recession, while the rates for older unattached people fell more or less steadily. In both age groups, the poverty rates were noticeably higher for women than men.

The poverty rate for unattached women under 65 was 38.1 percent in 1980 and 41.9 percent in 1998. The comparable rates for men were 26.3 percent in 1980 and 31.6 percent in 1998. The gap between women and men was largest in 1980 at 11.8 percentage points and smallest in 1982 at 3.7 percentage points. Between 1997 and 1998, the poverty rate for men dropped 3.1 percentage points compared to a fall of only 0.9 percentage points for women. The gap between men and women in 1998 was at near-record of 10.3 percentage points.

For unattached people 65 and older, the poverty rate for women went from 68.7 percent in 1980 to a record low 39.4 percent in 1998. The rate for men dropped from 57.8 percent in 1980 to 28.9 percent in 1998. Of the groups examined in this chapter, the rate for men over 65 was the only rate that increased between 1997 and 1998. The gap between men and women was smallest at 10.9 percentage points in 1980 and largest at 23.9 points in 1988.

Figure 2.2: Poverty Rates for Unattached People Under 65

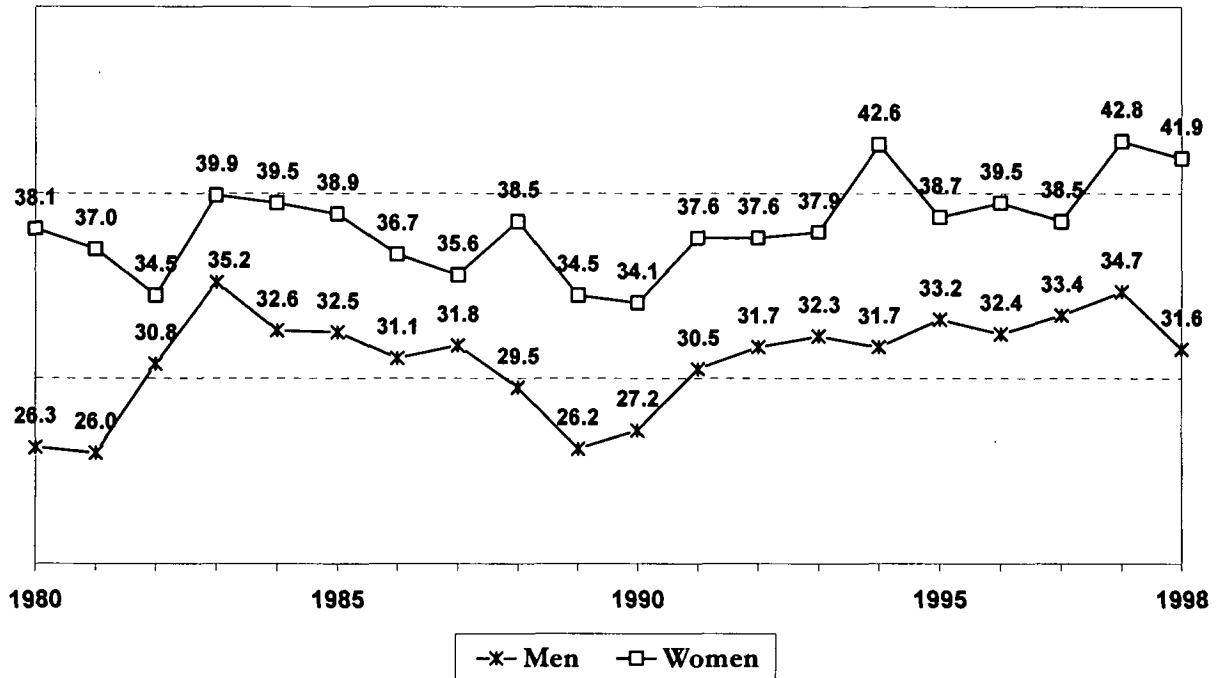
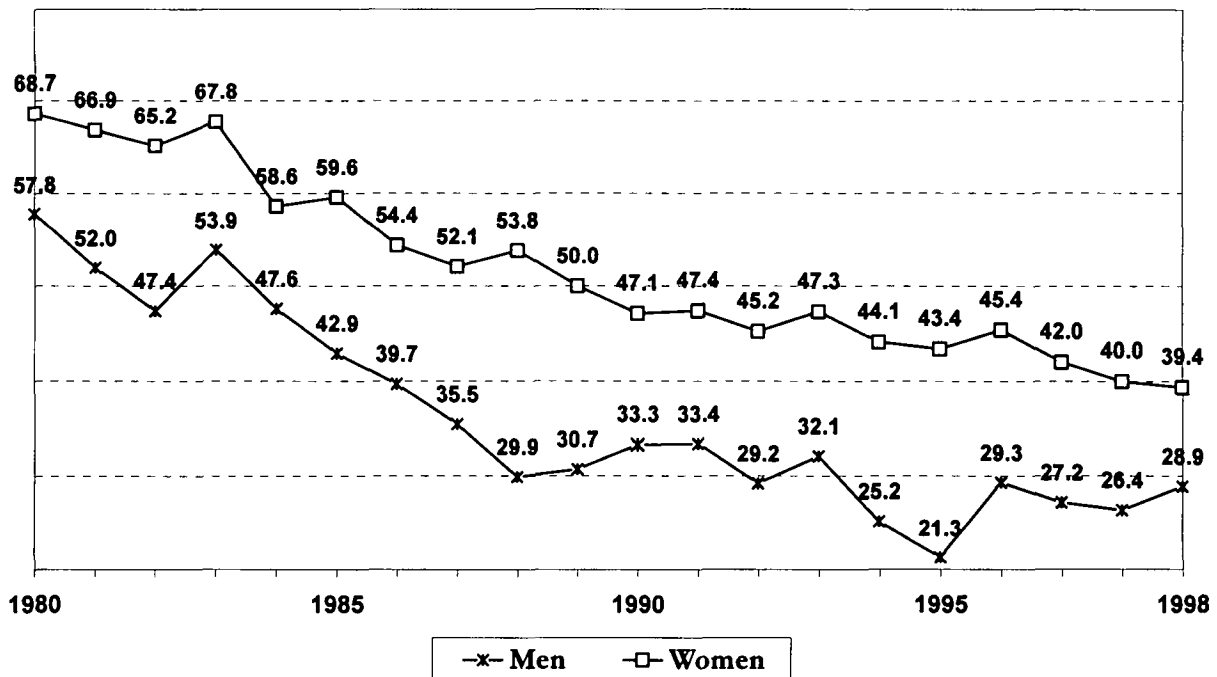


Figure 2.3: Poverty Rates for Unattached People 65 and Older



III. VIEW FROM THE PROVINCES

Economic conditions, the adequacy of pension programs, and family type are major determinants of poverty in all parts of Canada, but there are important differences from province to province. Table 3.1 gives the 1998 provincial statistics for families, unattached individuals and all persons.

For families, poverty rates ranged from a low of 9.1 percent in Prince Edward Island to highs of 17.2 percent in Newfoundland and 17.5 percent in Quebec. The range for unattached individuals was even greater, from 31.1 percent in Ontario to 50.7 percent in Newfoundland. Poverty rates for all persons went from a low of 11.4 percent in P.E.I. to a high of 22.0 percent in Quebec.

TABLE 3.1: POVERTY BY PROVINCE, 1998

	Families		Unattached Individuals		All Persons	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate	Number of Poor Persons	Poverty Rate
Newfoundland	28,000	17.2	23,000	50.7	107,000	19.8
Prince Edward Island	3,000	9.1	6,000	33.9	16,000	11.4
Nova Scotia	39,000	15.0	54,000	40.9	165,000	17.9
New Brunswick	30,000	13.3	30,000	37.4	111,000	14.9
Quebec	359,000	17.5	519,000	44.2	1,610,000	22.0
Ontario	350,000	11.0	445,000	31.1	1,543,000	13.5
Manitoba	44,000	14.7	63,000	38.3	205,000	18.8
Saskatchewan	31,000	12.0	54,000	32.6	154,000	15.7
Alberta	86,000	11.1	145,000	34.5	426,000	14.8
British Columbia	129,000	12.3	197,000	31.4	572,000	14.6
Canada	1,099,000	13.2	1,535,000	36.1	4,910,000	16.4

Between 1997 and 1998, family poverty rates dropped in all provinces. Saskatchewan's family poverty rate was 12 percent, the lowest rate since 11.9 percent was recorded in 1980 and 1982.

Among unattached individuals, the poverty rates decreased in all provinces except Nova Scotia and Quebec. In Nova Scotia, the rate increased almost 2 percentage points from 39.1 percent in 1997 to 40.9 percent in 1998. In Quebec, the poverty rate for unattached individuals moved up from 43.4 percent to 44.2 percent.

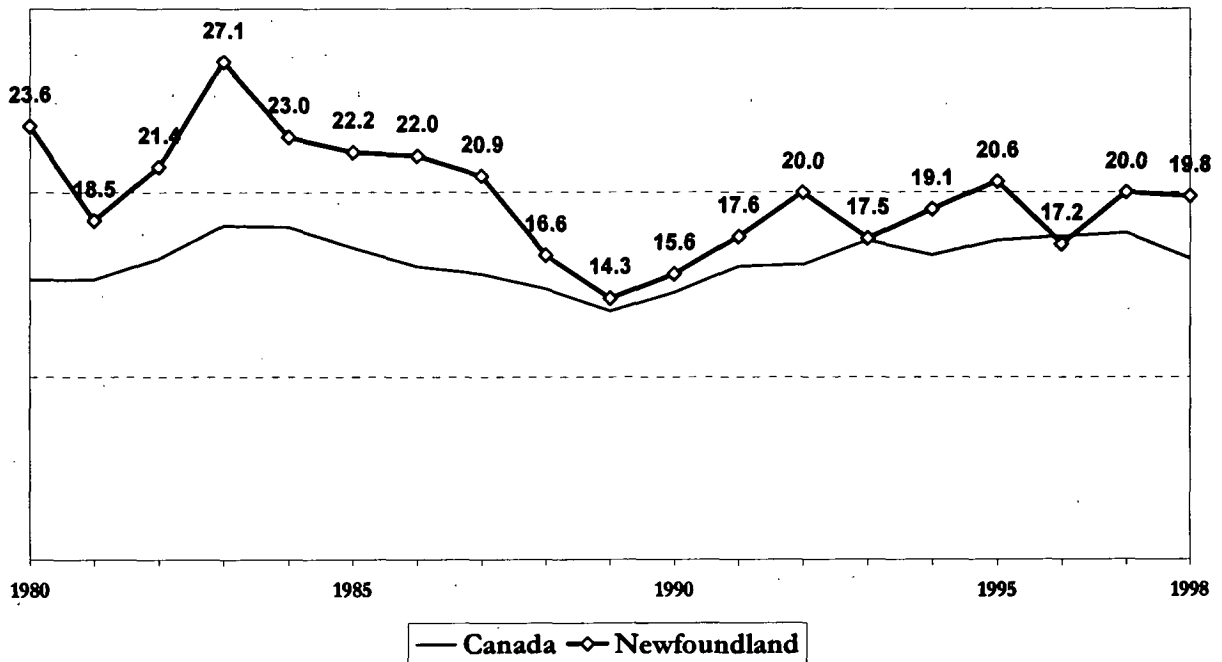
The poverty rates for all persons dropped slightly in every province. The largest decreases were in Prince Edward Island, Ontario and British Columbia. All had drops of 1.9 percentage points.

The pages that follow contain graphs with detailed information on poverty trends in the provinces. The top half of each page shows provincial poverty rates for all persons from 1980 to 1998. The line with diamond markers and accompanied by percentages shows the provincial poverty rates. For purposes of comparison, each graph includes a second line showing the poverty rates for Canada. The percentages were omitted from this line to avoid confusion in cases where the two lines are close together.

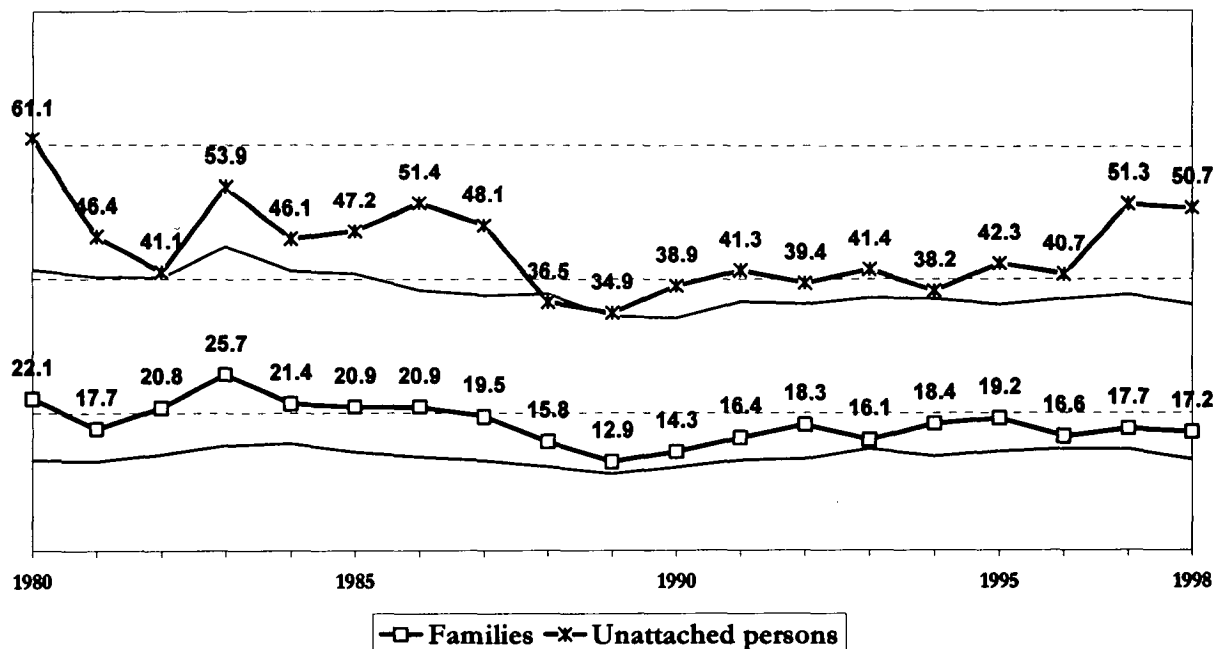
The bottom half of each page gives the poverty rates for families and unattached individuals from 1980 through 1998. The lines without markers and without percentages show the national trends.

The two largest provinces have the most consistent trends over the period studied. Ontario's poverty rates for families, unattached individuals and all persons were among the lowest in Canada and have always stayed well below the national average throughout the period. Quebec's rates were among the highest and have been persistently above the national average. There was much more variation over the years in the other provinces.

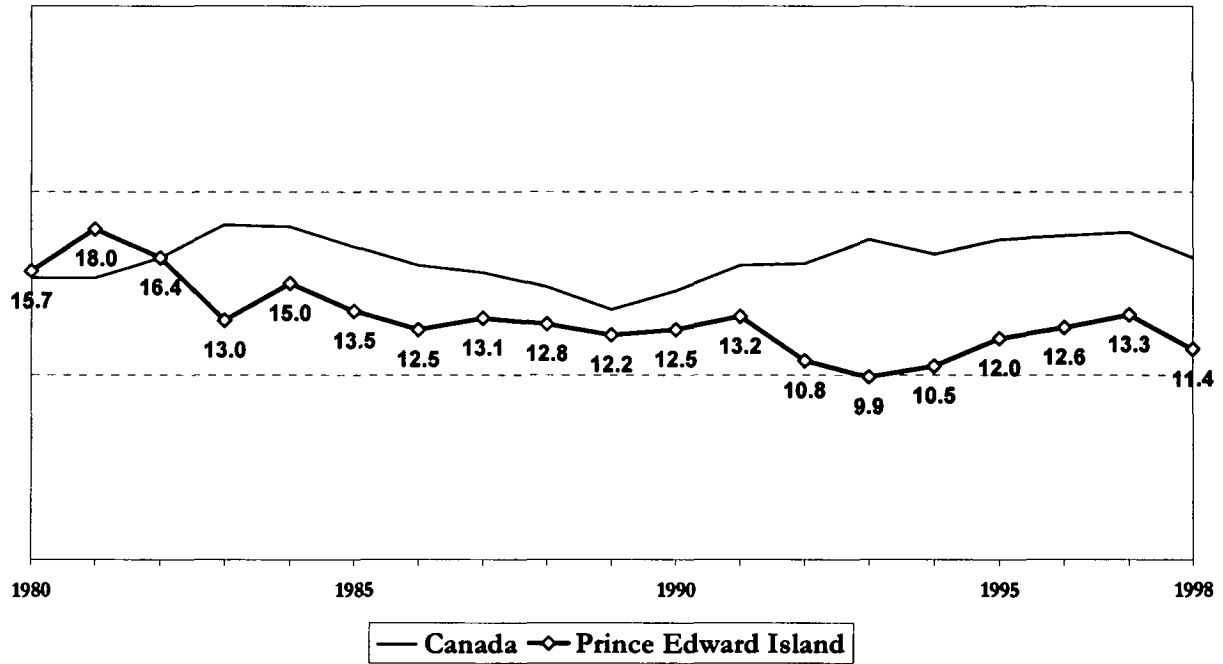
**Figure 3.1: Newfoundland
Trends for All Persons**



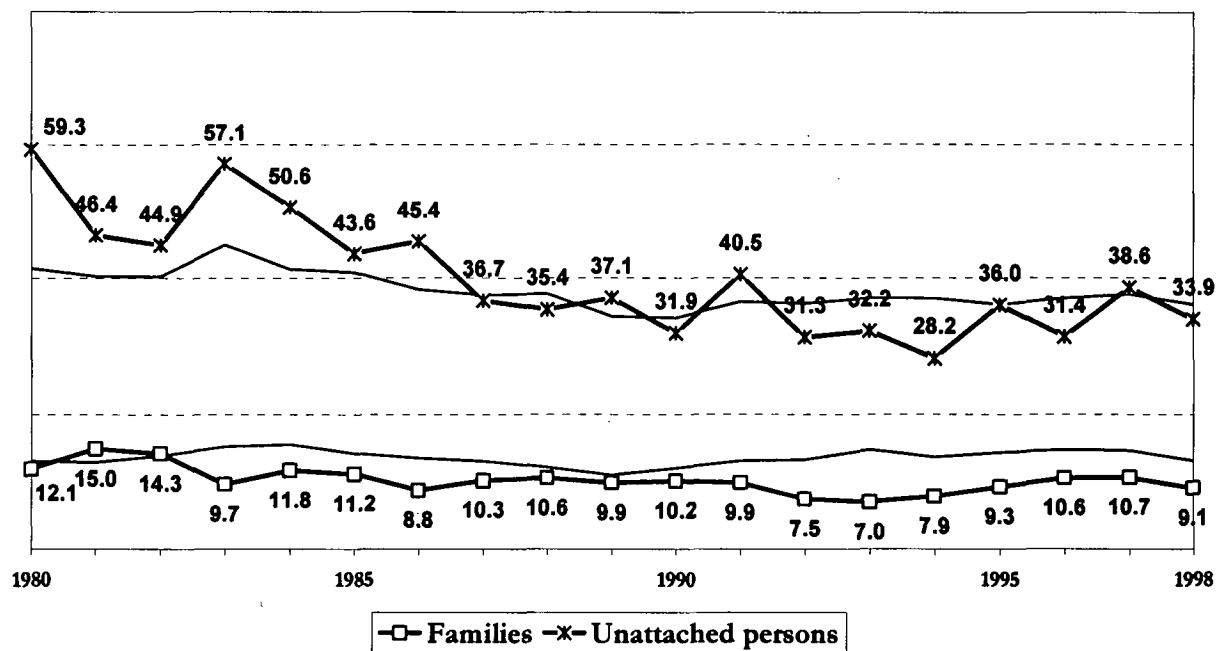
**Figure 3.2: Newfoundland
Families and Unattached Individuals**



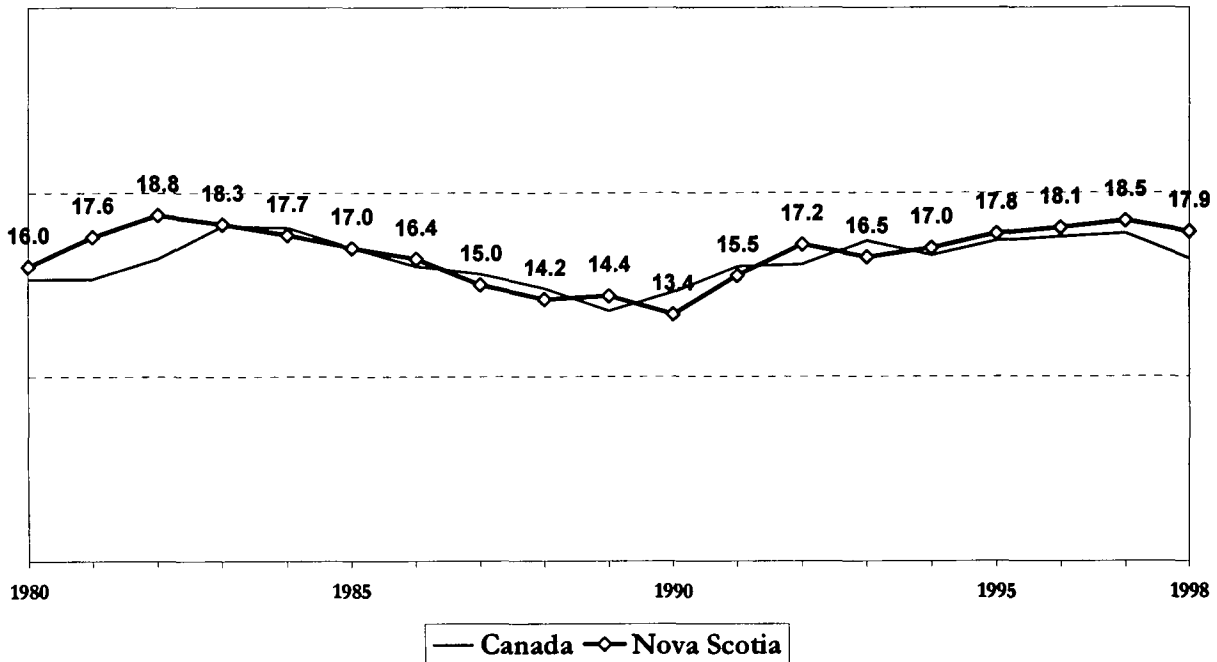
**Figure 3.3: Prince Edward Island
Trends for All Persons**



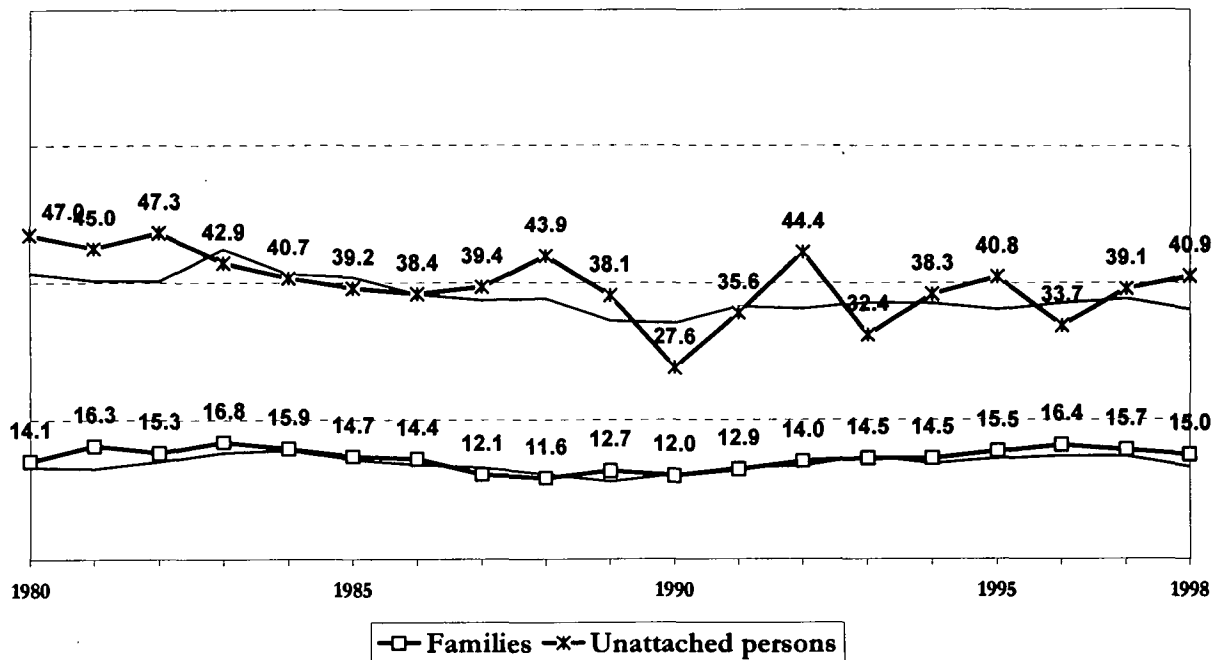
**Figure 3.4: Prince Edward Island
Families and Unattached Individuals**



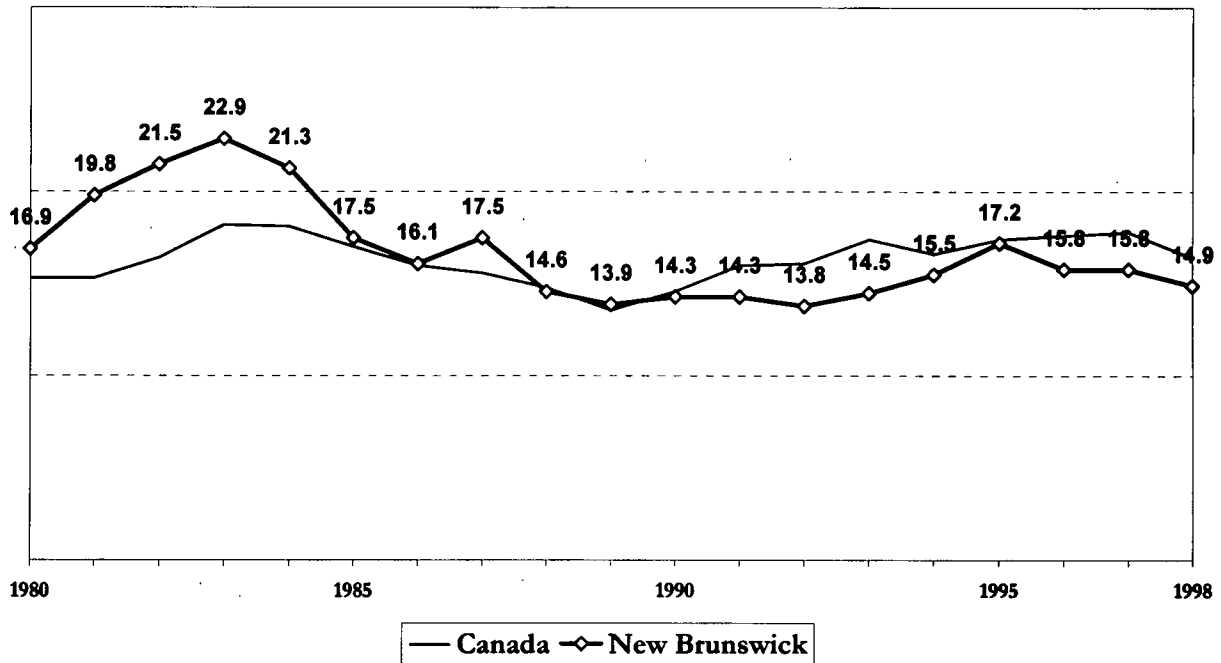
**Figure 3.5: Nova Scotia
Trends for All Persons**



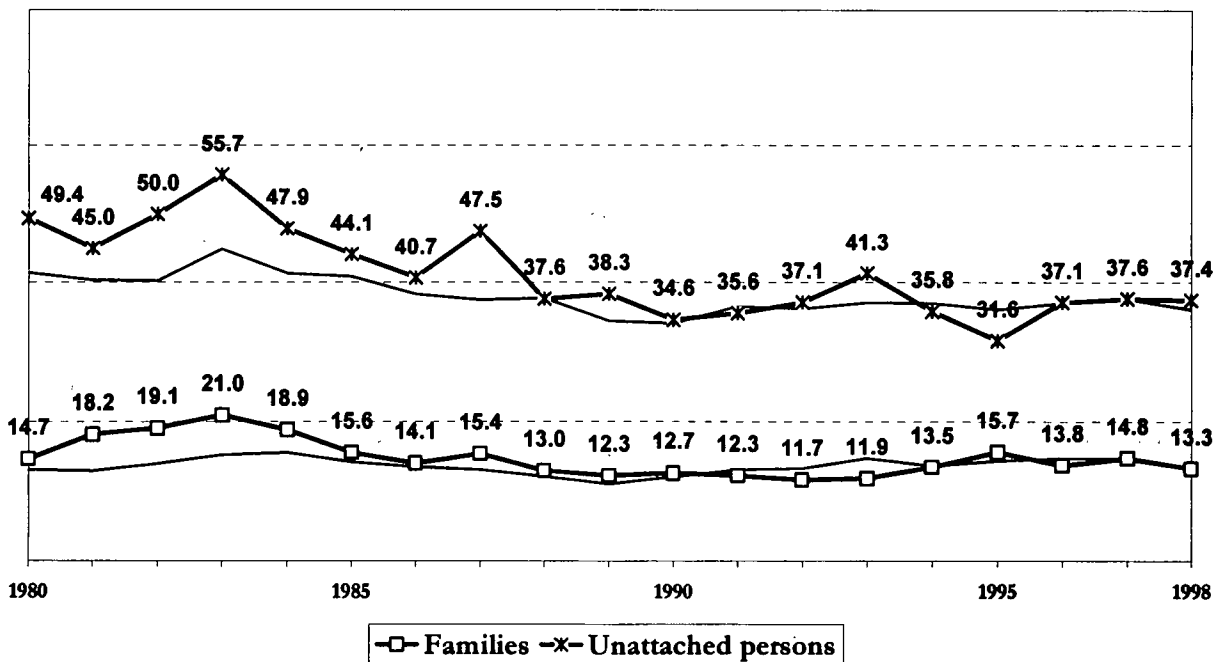
**Figure 3.6: Nova Scotia
Families and Unattached Individuals**



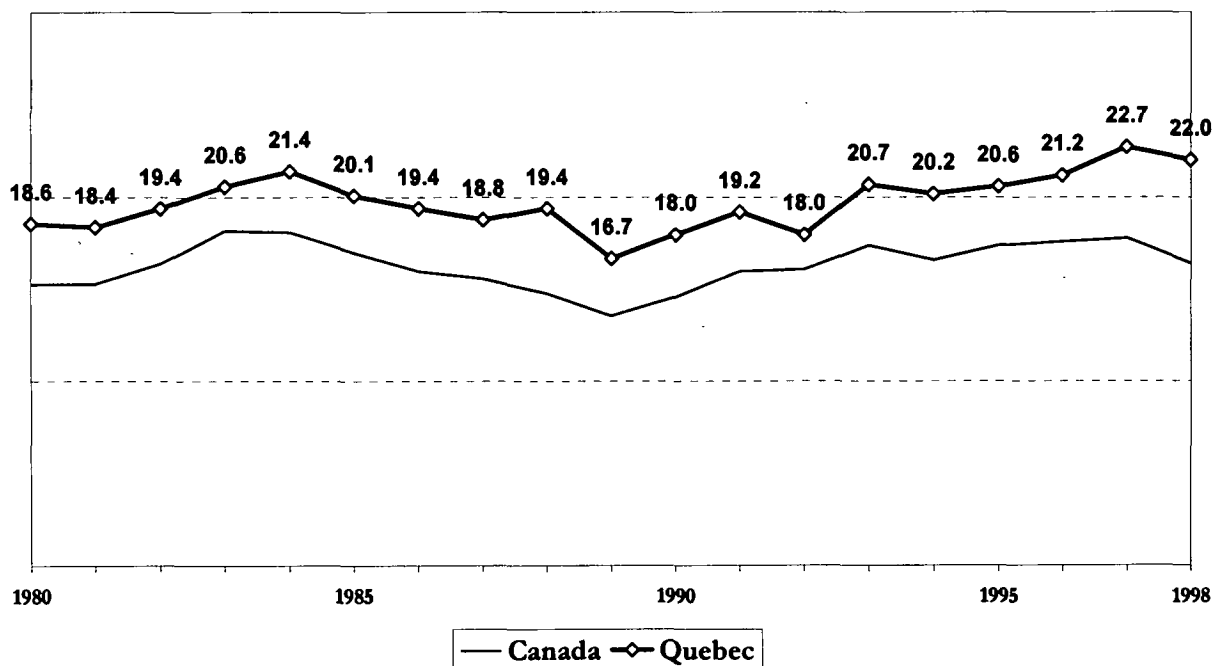
**Figure 3.7: New Brunswick
Trends for All Persons**



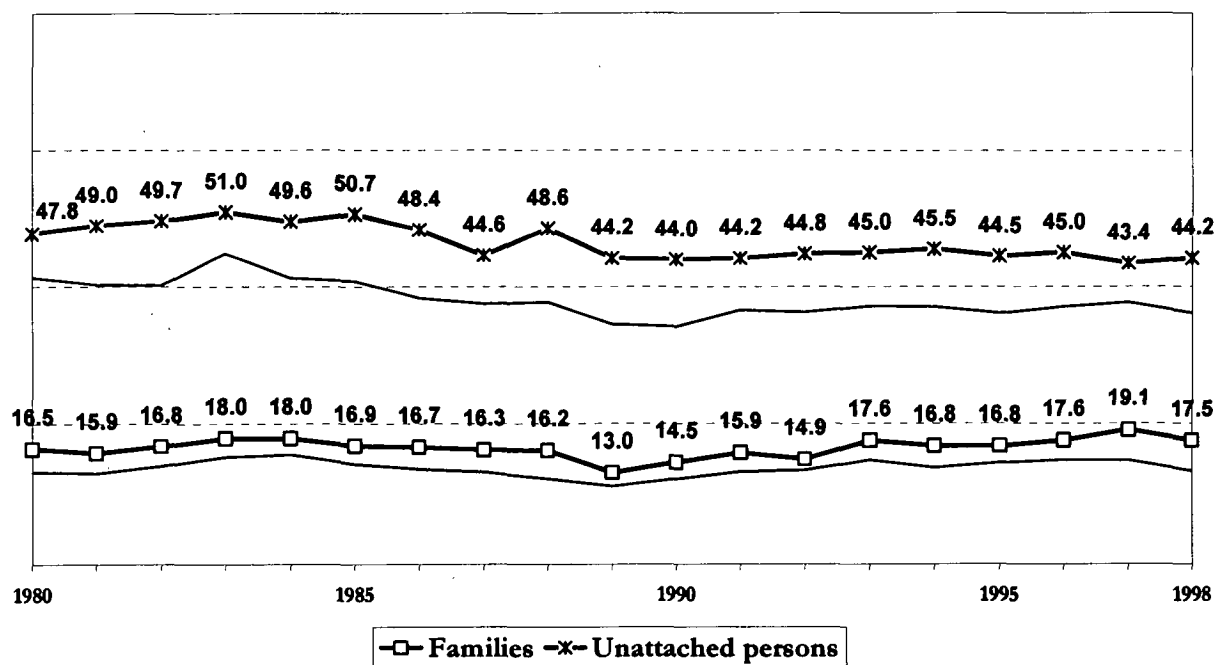
**Figure 3.8: New Brunswick
Families and Unattached Individuals**



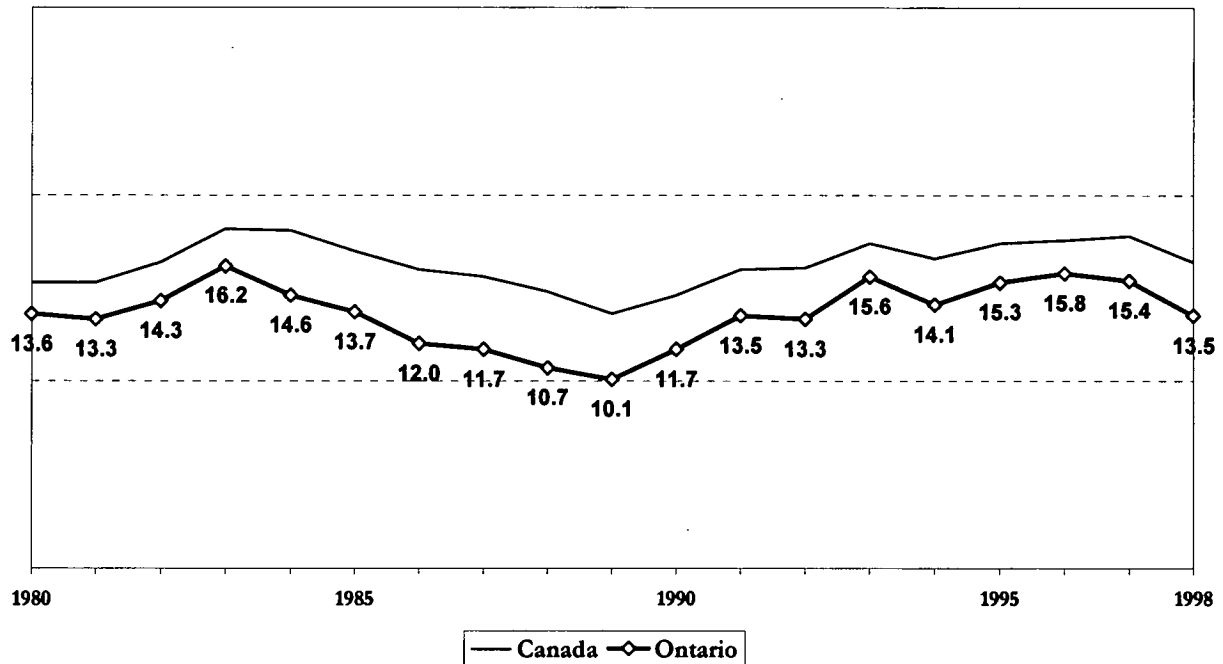
**Figure 3.9: Quebec
Trends for All Persons**



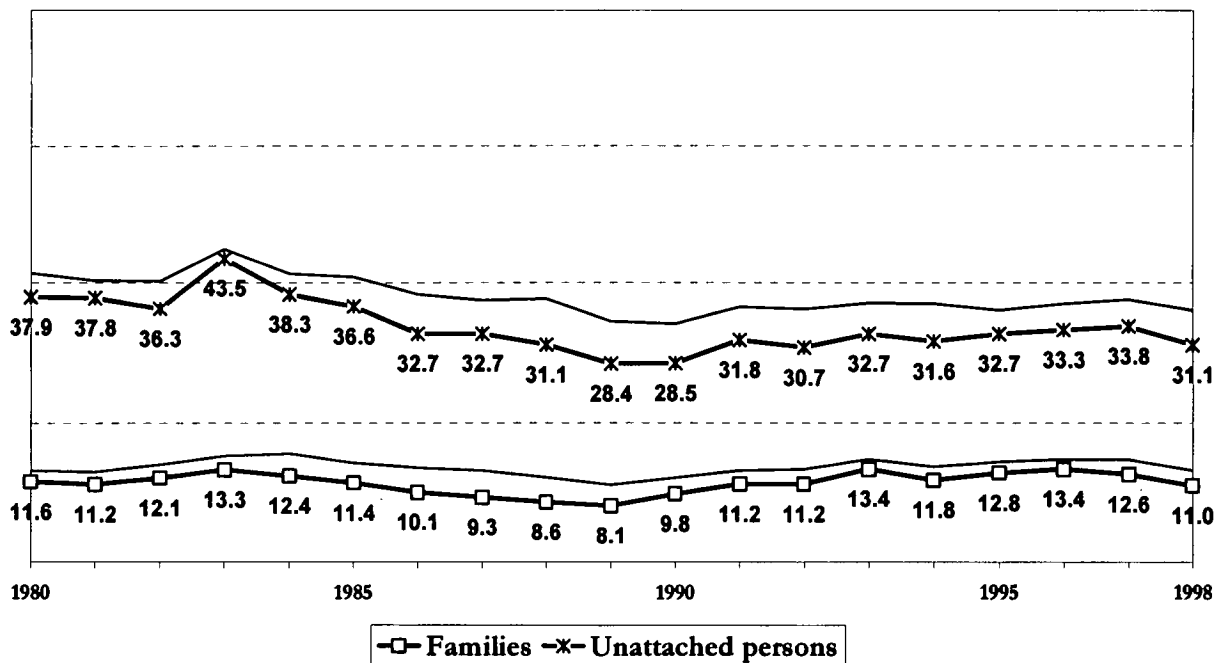
**Figure 3.1: Quebec
Families and Unattached Individuals**



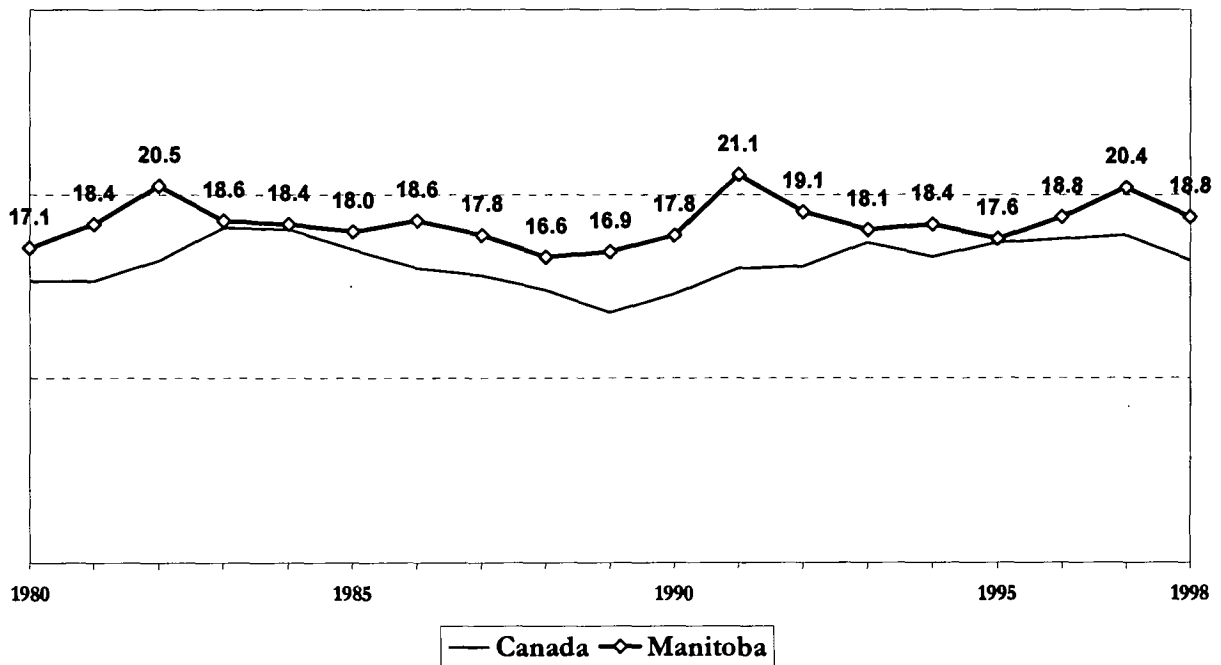
**Figure 3.11: Ontario
Trends for All Persons**



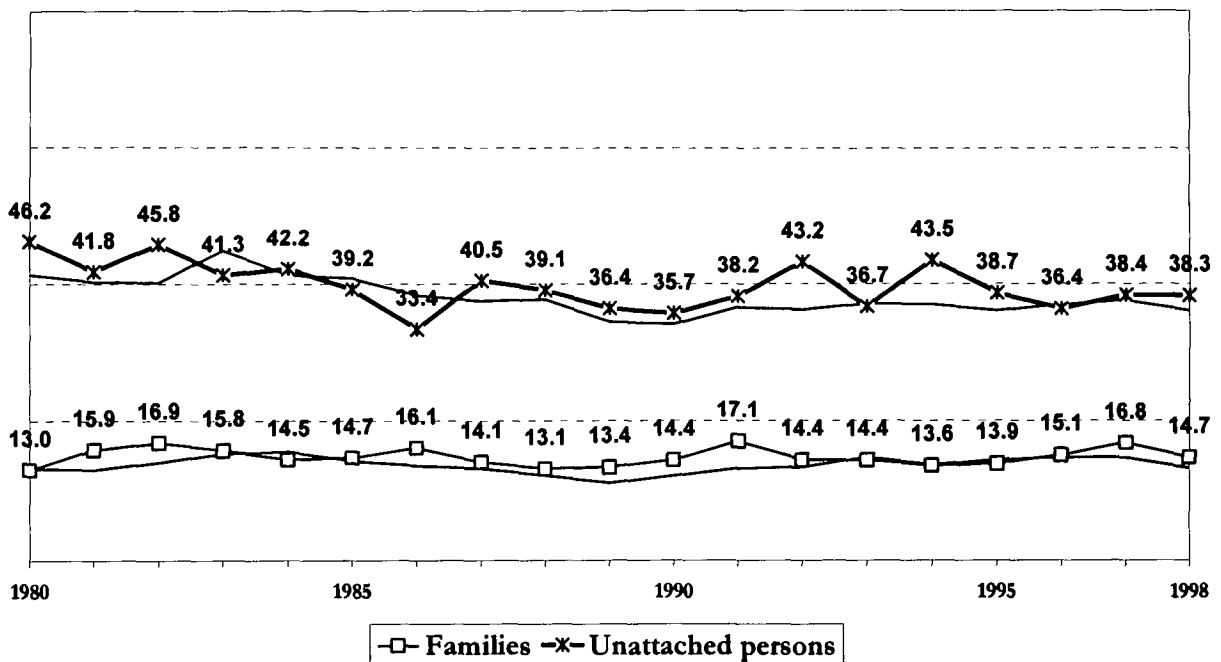
**Figure 3.12: Ontario
Families and Unattached Individuals**



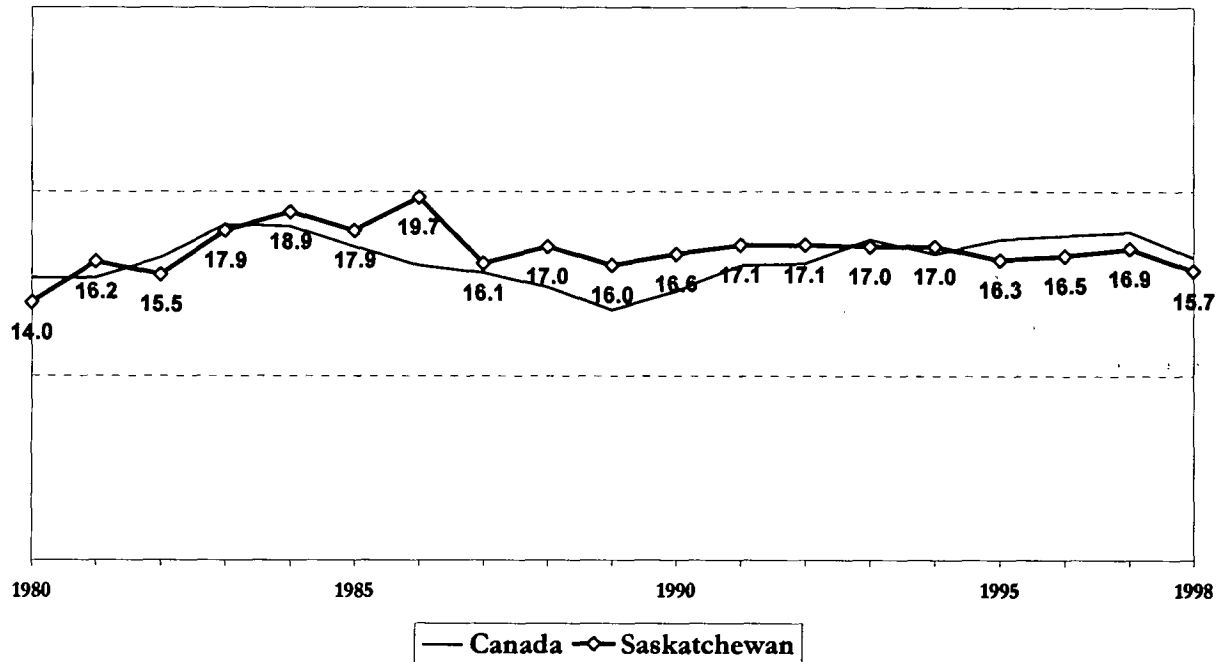
**Figure 3.13: Manitoba
Trends for All Persons**



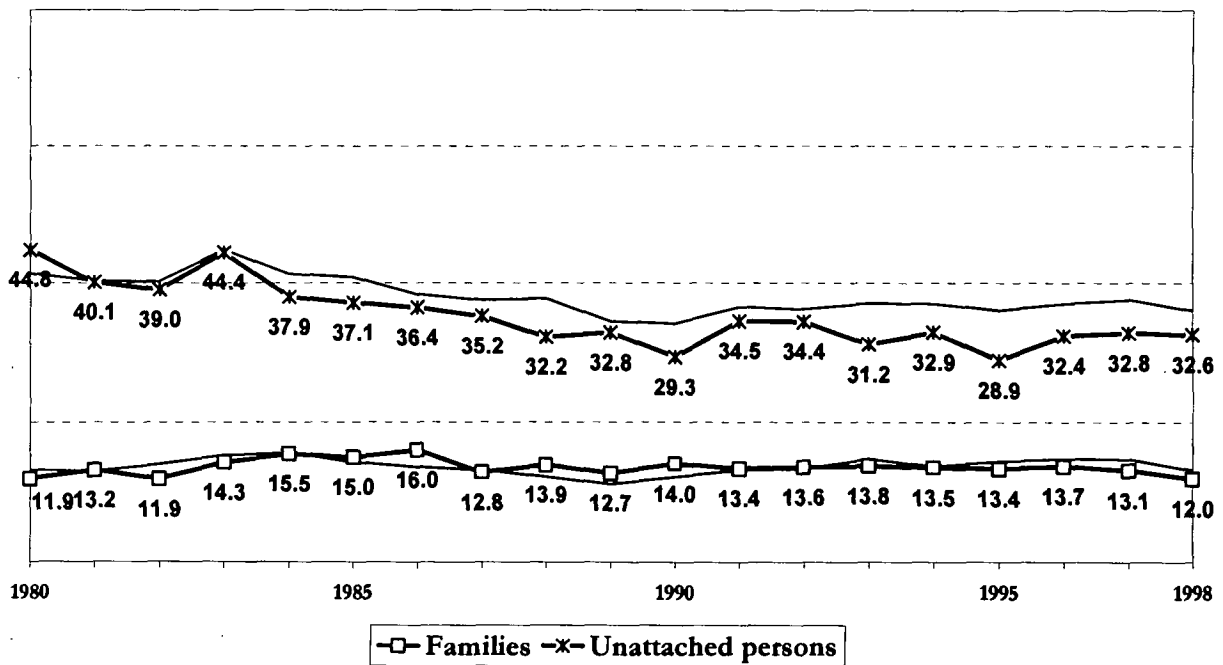
**Figure 3.14: Manitoba
Families and Unattached Individuals**



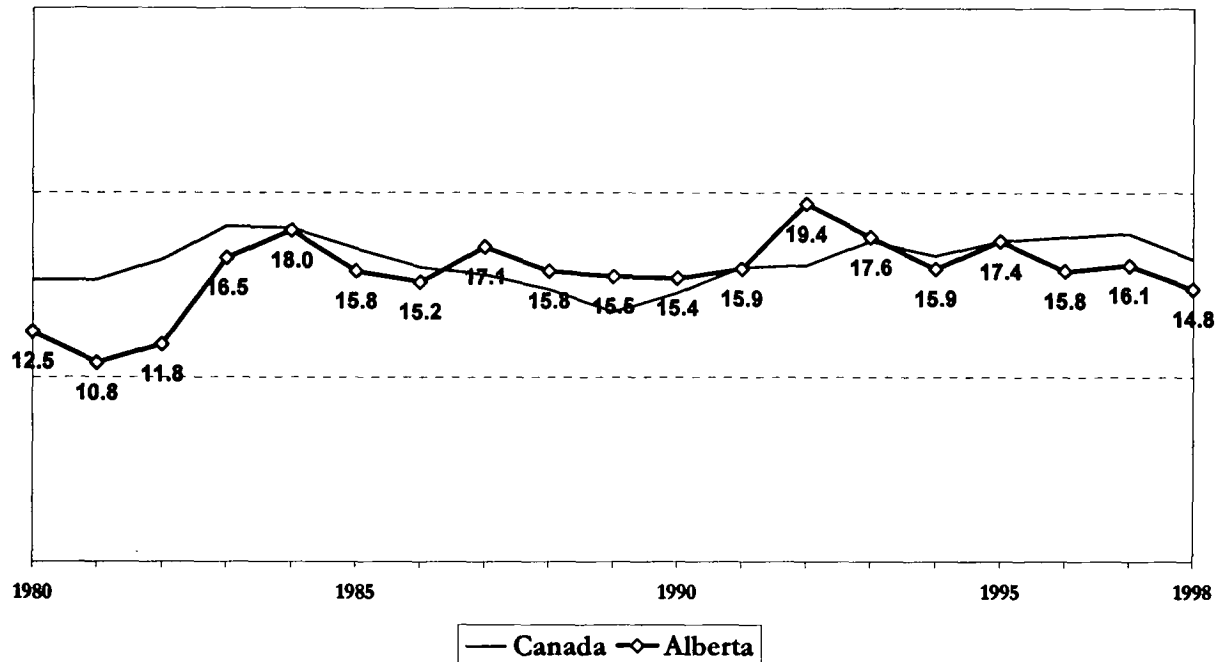
**Figure 3.15: Saskatchewan
Trends for All Persons**



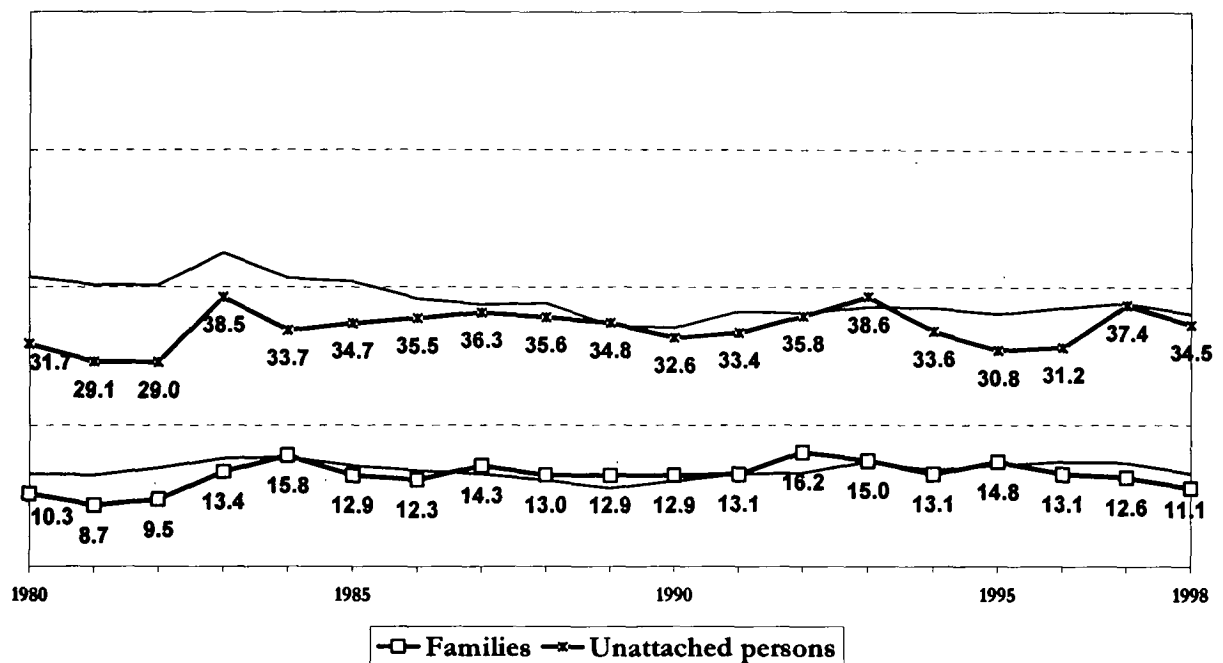
**Figure 3.16: Saskatchewan
Families and Unattached Individuals**



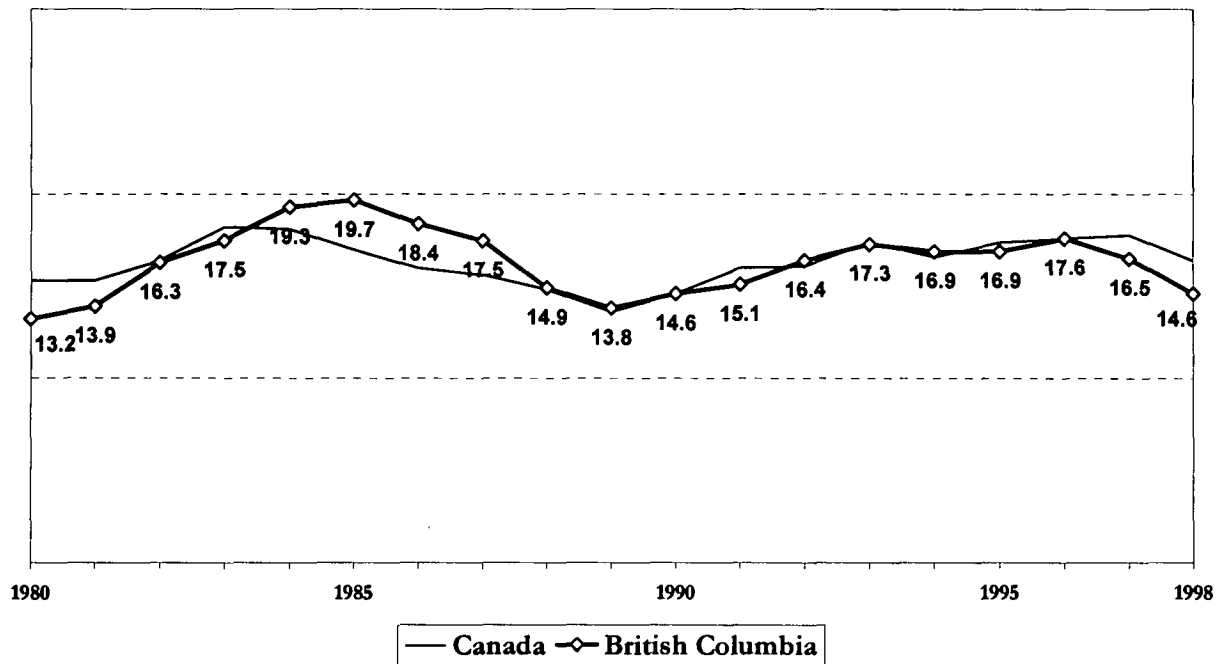
**Figure 3.17: Alberta
Trends for All Persons**



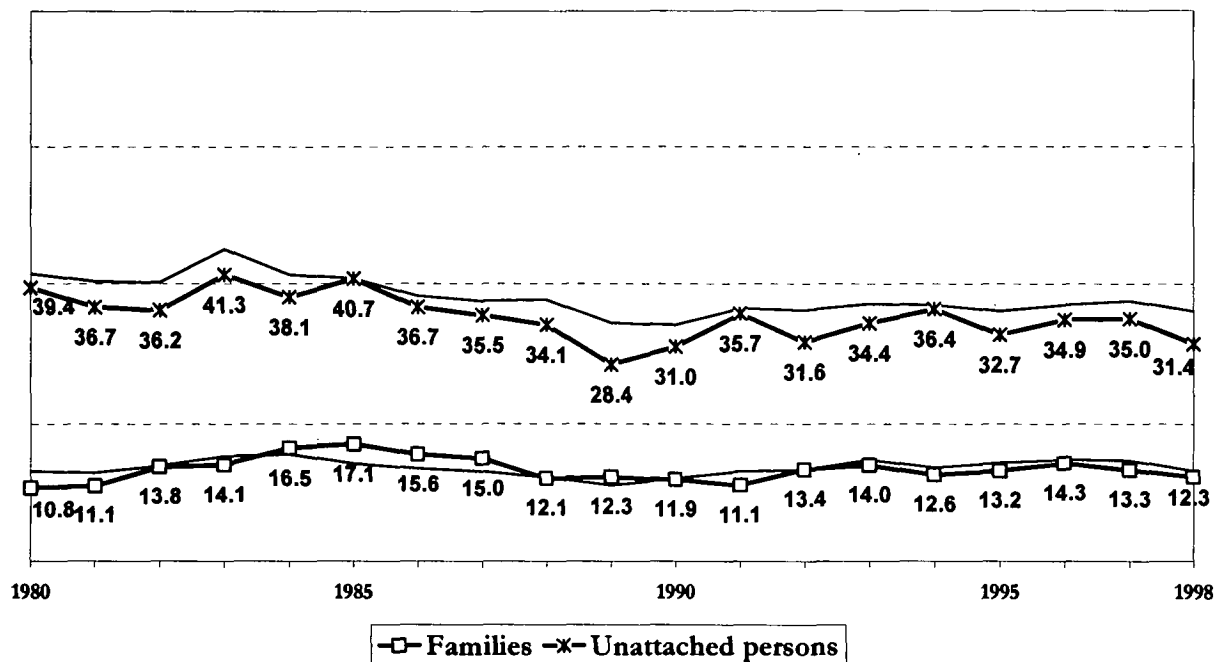
**Figure 3.18: Alberta
Families and Unattached Individuals**



**Figure 3.19: British Columbia
Trends for All Persons**



**Figure 3.20: British Columbia
Families and Unattached Individuals**



IV. SNAPSHOTS OF POVERTY IN 1998

Poverty rates vary with family type, sex, age, employment, education, and the population of the area of residence. Among families with children, they vary with the number and age of the children. Among immigrants, there are important differences based on the length of time in Canada.

FAMILY TYPE

Probably the most important overall determinant of the risk of poverty is family type. As we described in Chapter 2, family type refers to the eight subcategories of families and unattached individuals that take account of age and gender as well as family circumstances.

Figure 4.1 displays poverty rates for the eight family types, with the highest poverty rates at the left and the lowest at the right. The group with the highest poverty rate in 1998 was single-parent mothers under 65 with children under 18. The next four bars represent unattached individuals. The poverty rates for unattached women were higher than the rates for unattached men. The three types of husband-wife families had noticeably lower poverty rates than the other family types.

The pies in Figure 4.2 show the number of poor families or poor unattached individuals by family type as a proportion of all poor families or unattached individuals. Among poor families, the two largest groups were couples under 65 with children under 18 and families led by single-parent mothers under 65 with children under 18.

Among poor unattached individuals, the most striking comparison is between elderly men and women. Poor unattached women 65 and older outnumbered poor unattached men 65 and older by a margin of more than 3.5 to one. The numbers of poor unattached men and women under 65 were much closer. Men under 65 made up 37 percent of total poor unattached people, just two percentage points greater than women under 65.

Figure 4.1: Poverty Rates by Family Type, 1998

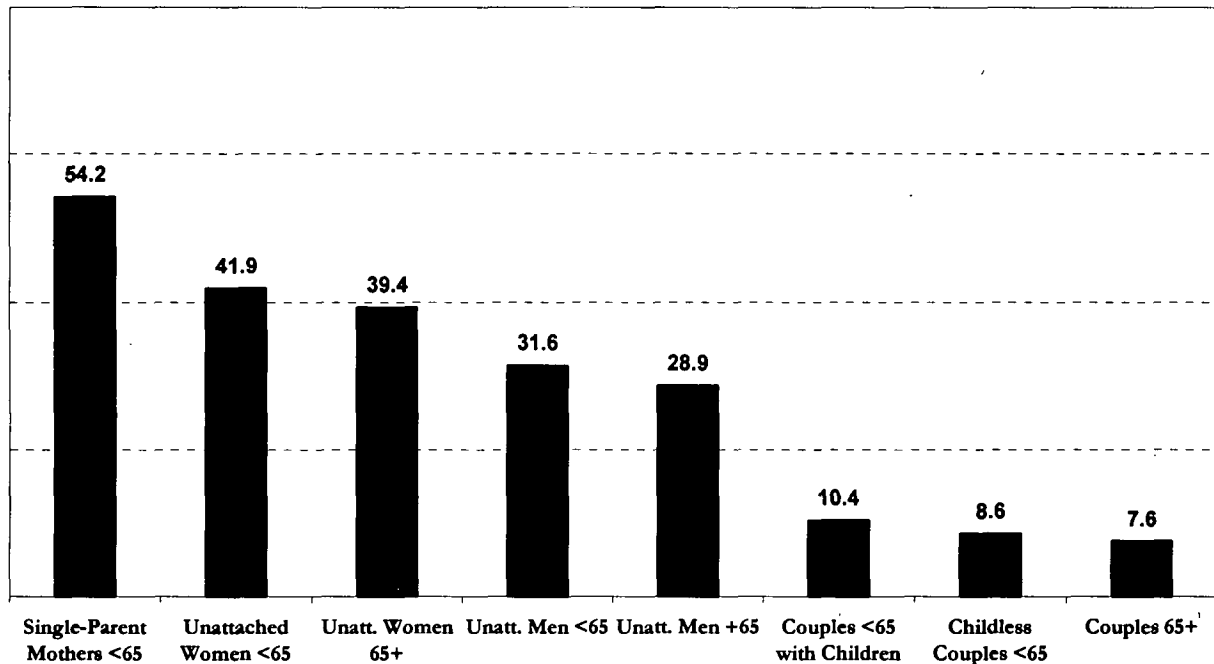
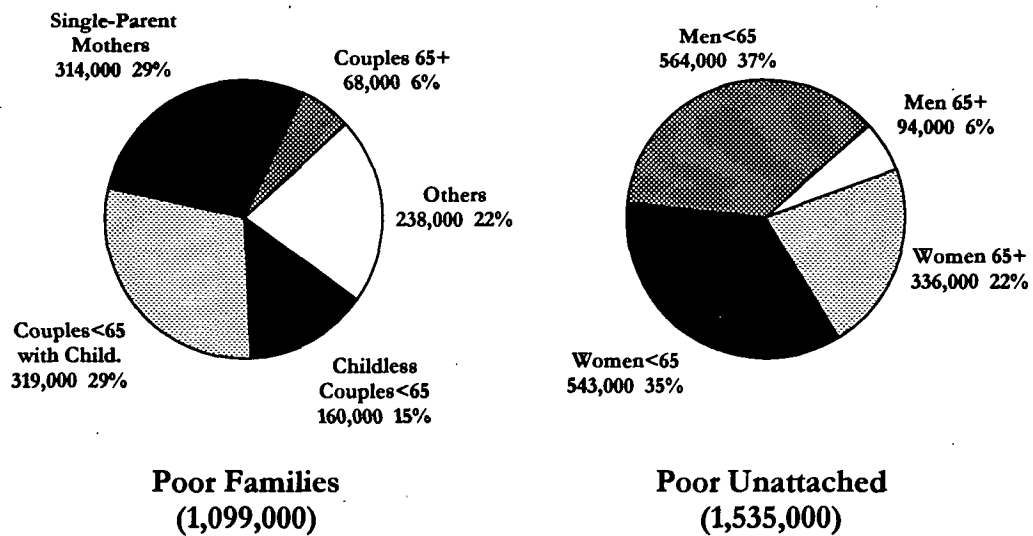


Figure 4.2: Distribution of Poor Families and Unattached Individuals, 1998

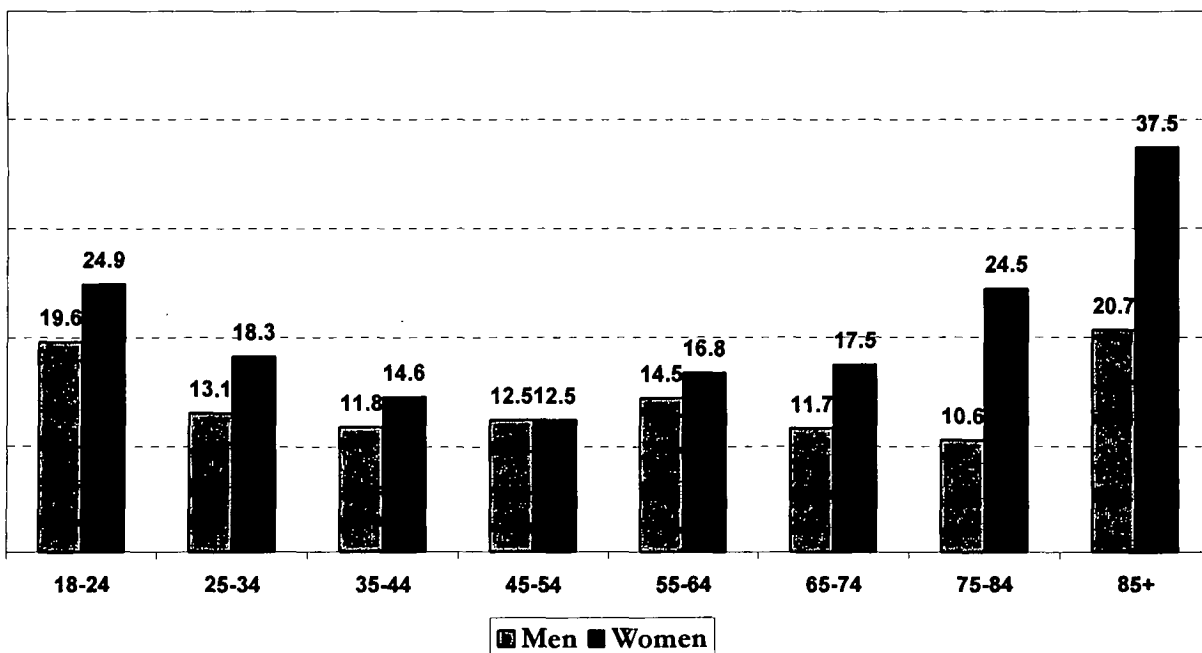


DIFFERENCES BY AGE, GENDER AND FAMILY TYPE

Figure 4.3 gives the poverty rates for men and women by age, irrespective of their family status. With the exception of 45 to 54 year olds, the rates for women were higher in all cases than the rates for men. The differences between the two were most pronounced in the oldest groups.

The poverty rates for both men and women were relatively high for the age group 18 to 24. That is partly a reflection of higher unemployment rates among young people and partly because entry-level wages are lower than wages for experienced workers. Poverty rates for women decline in the age groups that follow until the age group 55 to 64. Poverty rates for men decline until the age group 45 to 54. Higher poverty rates for older working age men and women tend to reflect the difficulties older workers have when they lose their jobs. The higher rate for women 55 through 64 may also be due to an increasing number of widows.

**Figure 4.3: Poverty Rates for Persons
by Age Group and Sex, 1998**



The rates for older men and women show that the gap between the two widens with age. One reason for higher poverty rates among elderly women is the fact that women live longer than men on average. The older groups contain a large number of women who are unattached, many of them widows, and unattached persons invariably have higher poverty rates than couples.

The combination graph on the next page provides additional information about poverty by age group among people under 65 and highlights some interesting differences between family types. Figures 4.4 and 4.5 feature couples under 65 with children under 18 and single-parent mothers under 65 with children under 18. Figures 4.6 and 4.7 show couples under 65 without children and unattached persons under 65, both men and women.

For both of the family types with children, the poverty rates were highest for young family heads and lowest for older family heads. Figure 4.4 shows that the poverty rate for couples less than 25 was 46.7 percent in 1998, and the rate for single-parent mothers under 25 was an inexcusably high 85.4 percent. The poverty rates for both family types fell for parents in older age groups.

Figure 4.5 shows the distribution of poor couples with children and poor single-parent mothers by their age group. More than three-quarters (79 percent) of poor families with children are headed by parents in the age group 25 through 44. This is not surprising given that most women have babies while they are in their 20s or 30s. The proportion of poor single-parent mothers less than 25 years old was slightly more than twice as high as that for couples.

The patterns were markedly different for couples without children and unattached individuals. Figure 4.6 shows that poverty rates were highest for those under 25. They fell sharply for people in the age group 25 through 44. Then, instead of falling further for the oldest age group, they started rising once again, although not to the highs of the youngest age group. The poverty rate for couples 45 through 64 was 9.3 percent, and the rate for the same age group of unattached persons was 39.9 percent.

The higher poverty rates for older childless couples and older unattached people are doubly disturbing because of the large number of poor people in the age group 45 through 64. Figure 4.7 shows that the 45 to 64 age group accounted for 63 percent of the poor couples without children under 65 and 38 percent of the poor unattached persons under 65.

Figure 4.4: Poverty Rates by Family Type for Age Groups Under 65, 1998

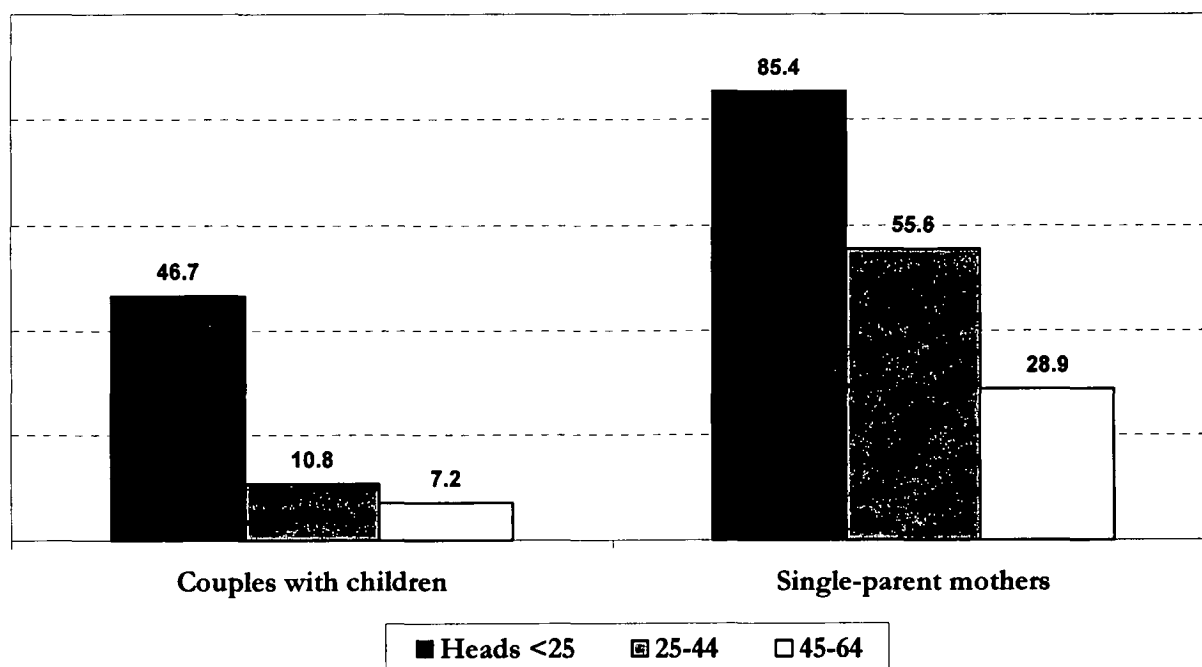


Figure 4.5: Distribution of Poor Families by Age of Family Head, 1998

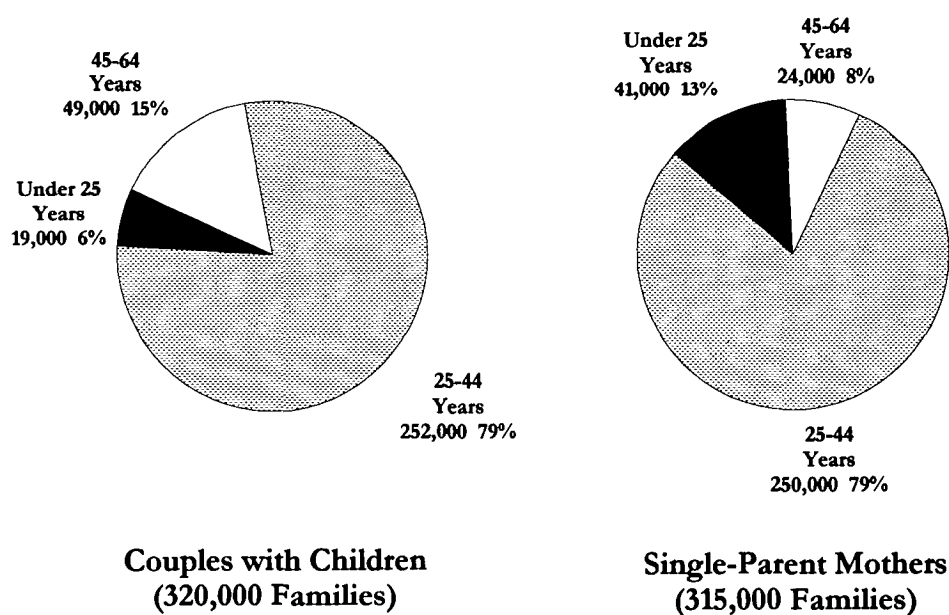


Figure 4.6: Poverty Rates by Family Type for Age Groups Under 65, 1998

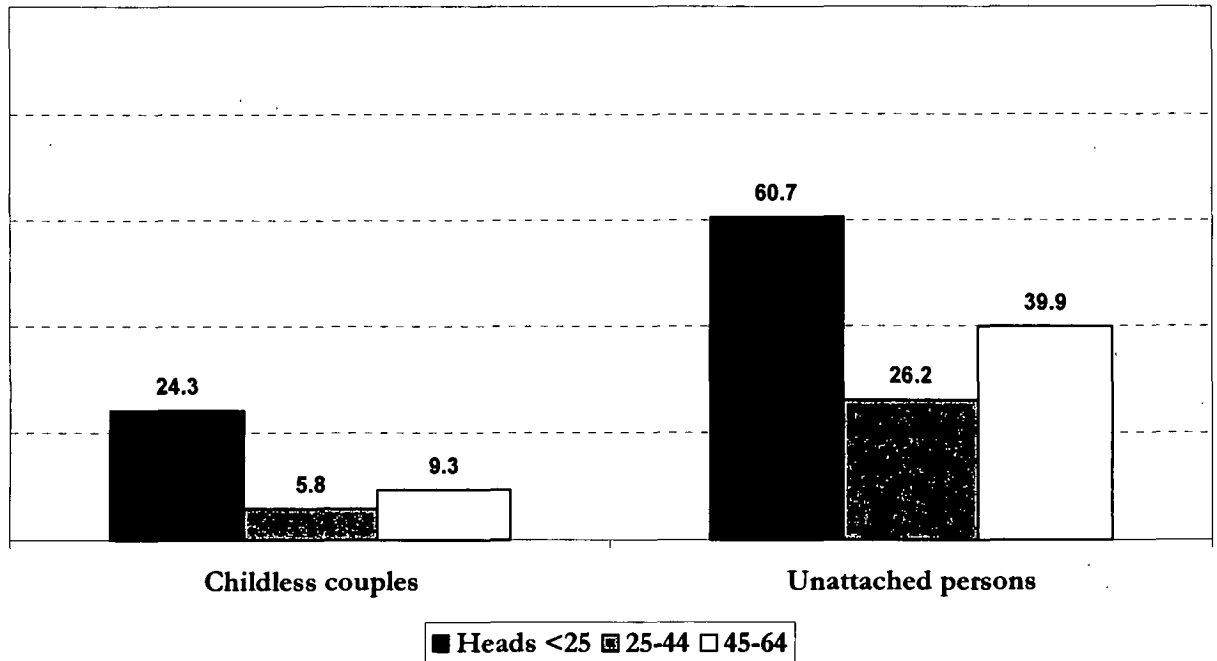
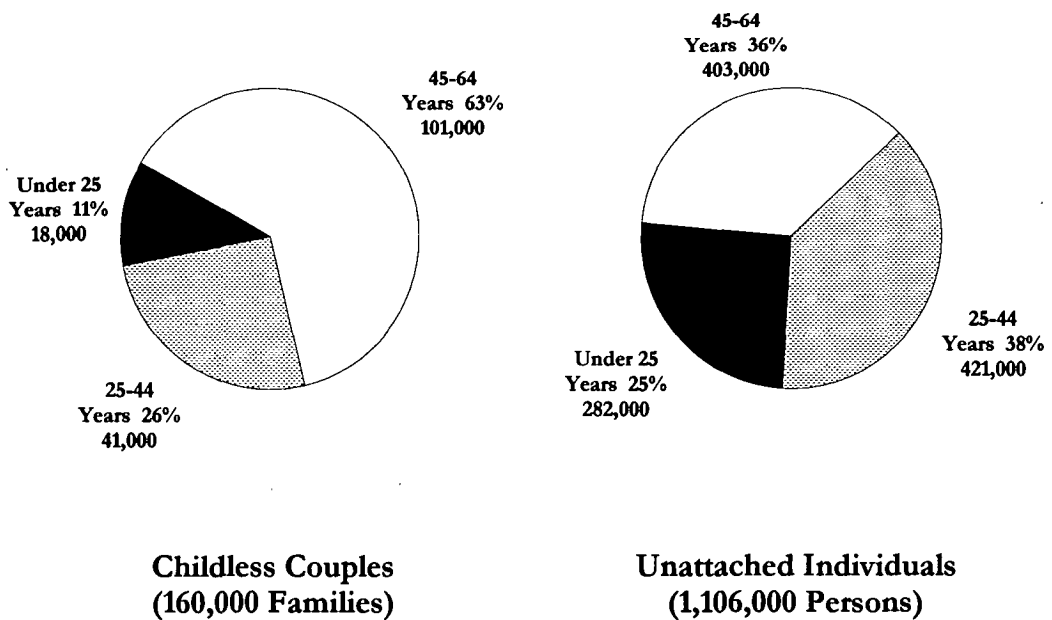


Figure 4.7: Distribution of Poor Childless Couples and Unattached Persons by Age Group, 1998

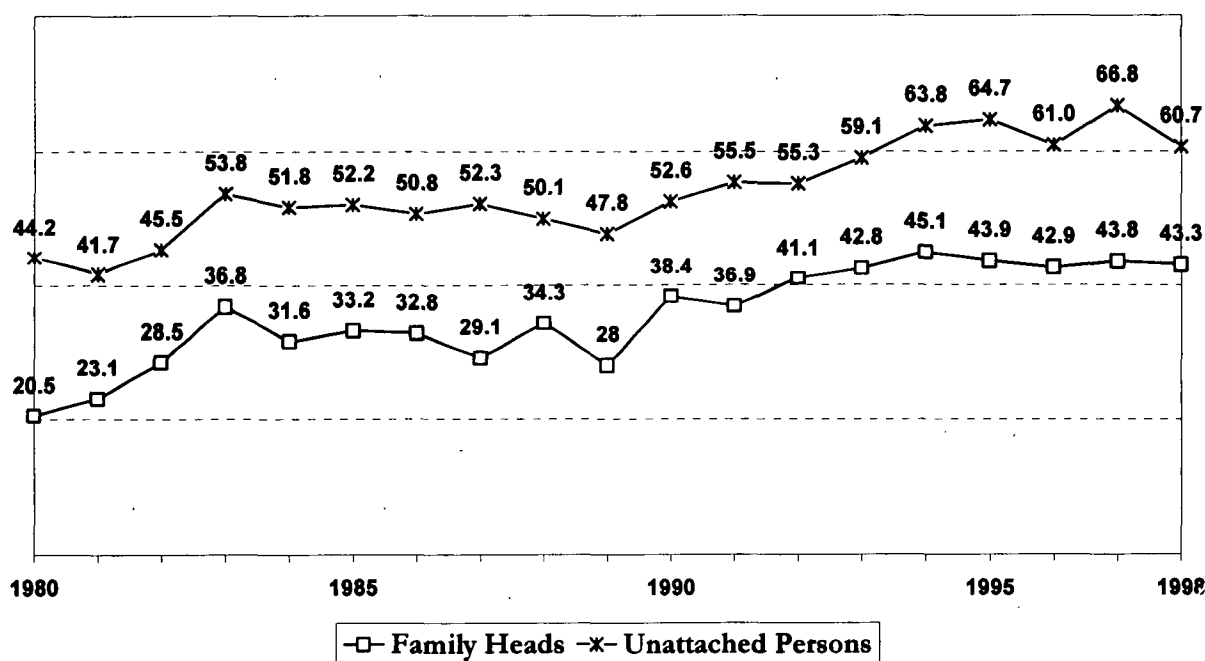


The link between aging and poverty among childless couples and unattached people 45 to 64 probably reflects the difficulties in the labour market facing older workers and increasing problems with health or disabilities. Some of the older unattached persons were no doubt widows or widowers who fell into poverty on the deaths of their spouses.

Poverty among young families and young unattached people continues to be a concern. Figure 4.8 shows the poverty rates for families headed by people under 25 and unattached individuals under 25 from 1980 through 1998. Poverty rates for the unattached rose following the recession of 1981-1982 and remained at very high levels for most of the rest of the decade. After a slight dip in 1989, rates began rising again and hit a high of 66.8 percent in 1997 before falling to 60.7 percent in 1998.

The picture was a bit less gloomy for young families, but the poverty rate is up sharply since 1989. The rate peaked at 45.1 percent in 1995 and has remained around 43 to 44 percent since then.

Figure 4.8: Poverty Rates for Family Heads and Unattached Individuals Under 25



WORK ACTIVITY

A good job is the best insurance against poverty for many Canadians under the age of 65. One of the most revealing ways of showing how the risk of poverty decreases as work activity increases is to look at the number of weeks worked during the year.

Figure 4.9 shows how the poverty rate for unattached individuals under 65 declined as their weeks of work increased. The poverty rate for unattached persons with no paid work was 79.1 percent in 1998. The poverty rate for unattached persons with only one to nine weeks of work in 1998 was almost as high at 76.4 percent. The rate steadily decreased as the number of weeks worked increased to a low of 15.6 percent for those who worked for 49 to 52 weeks.

The same general pattern holds true for families with heads under 65 as shown in Figure 4.11. The number of weeks worked for a family includes weeks of work by the major income earner plus weeks of work by a spouse in the case of married couples. All the married couples with only one wage-earner and all single-parent families are covered by the bars in the graph that end at 49 to 52 weeks of work. The last three bars on the right represent husband-wife families where the two spouses together worked a total of more than 52 weeks. The poverty rate for couples under 65 working 103 or more weeks in 1998 was a mere 3.2 percent.

Figures 4.10 and 4.12 show the distribution of poor unattached persons under 65 and poor families with heads under 65. Not surprisingly, the largest slices of the two pies represent poor people who did not work for pay in 1998.

On the other hand, the pie charts also show that even a full year of work does not always insulate a person from poverty. Some 261,000 unattached persons - or 24 percent of all poor unattached persons under 65 - were poor in 1998 even though they worked between 49 and 52 weeks. Some 94,000 families - or 10 percent of all poor families with heads under 65 - were poor even when husbands and wives together worked for 103 or more weeks during the year.

Figure 4.9: Poverty Rates by Weeks of Work, Unattached Persons Under 65, 1998

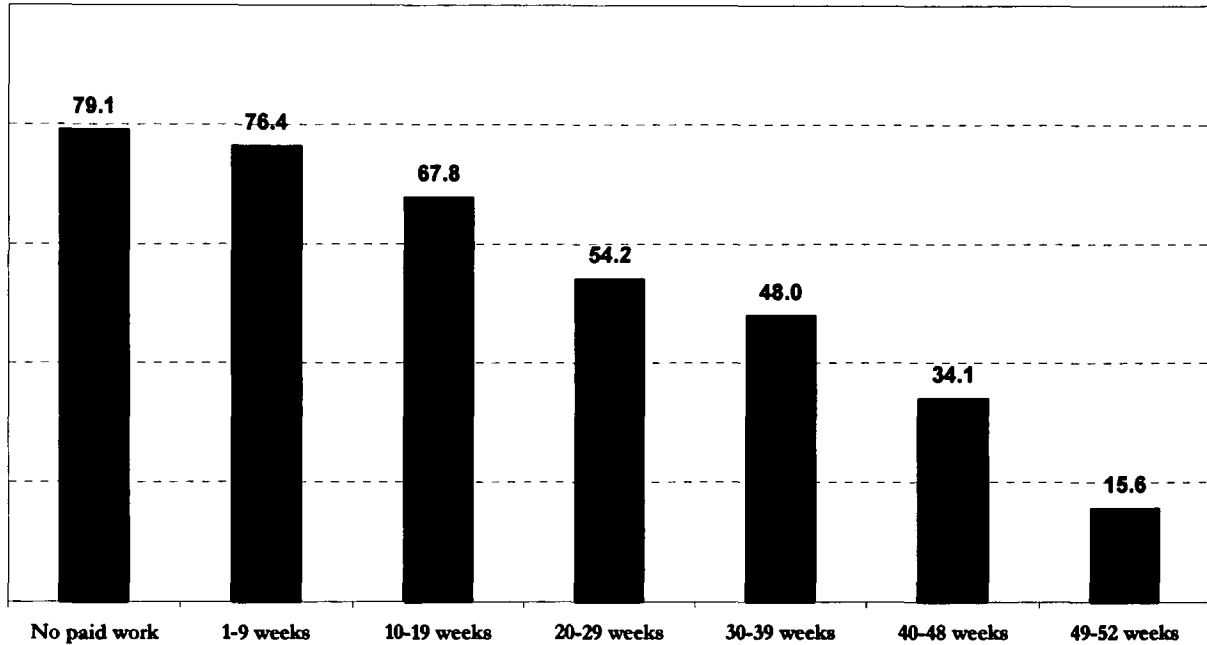
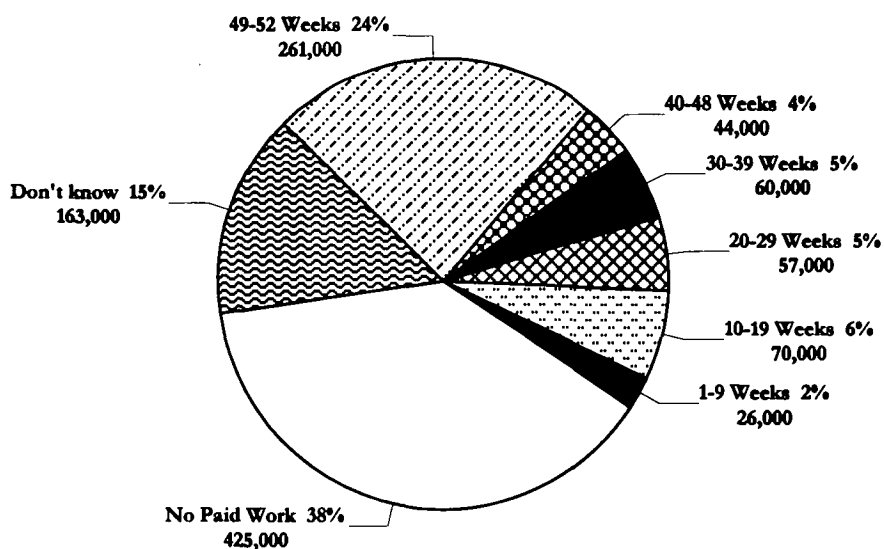


Figure 4.10: Distribution of Poor Unattached Persons Under 65 by Weeks of Work, 1998



(1,106,000 Unattached Persons)

Figure 4.11: Poverty Rates by Weeks of Work, Families Under 65, 1998

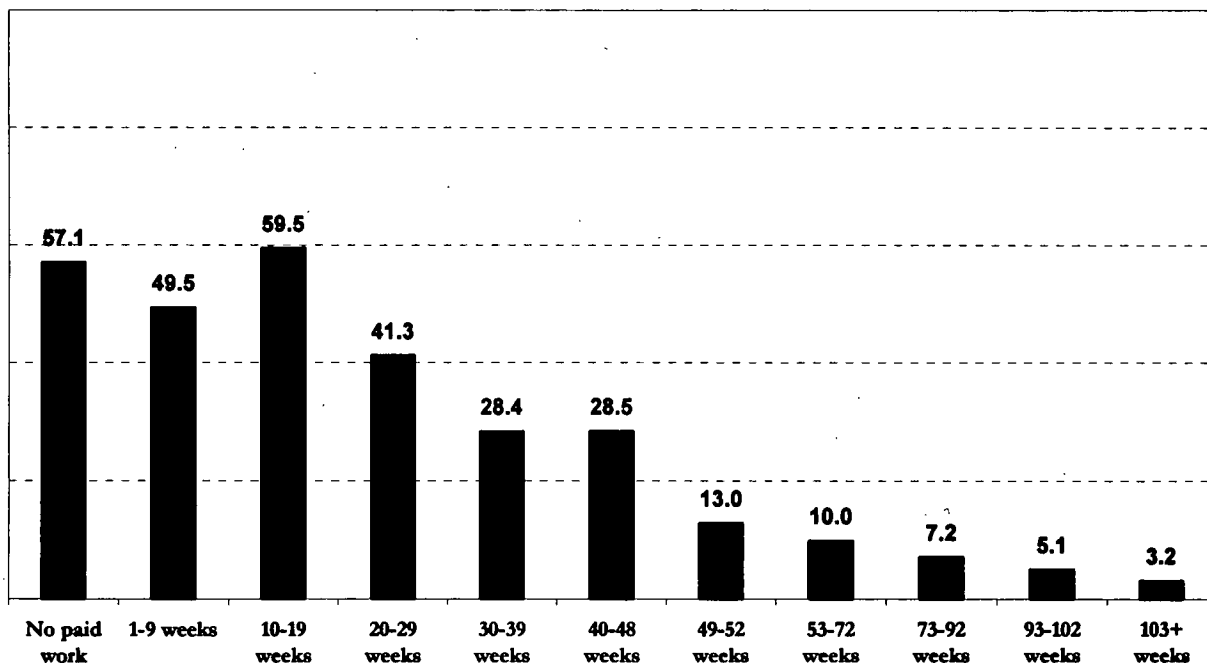
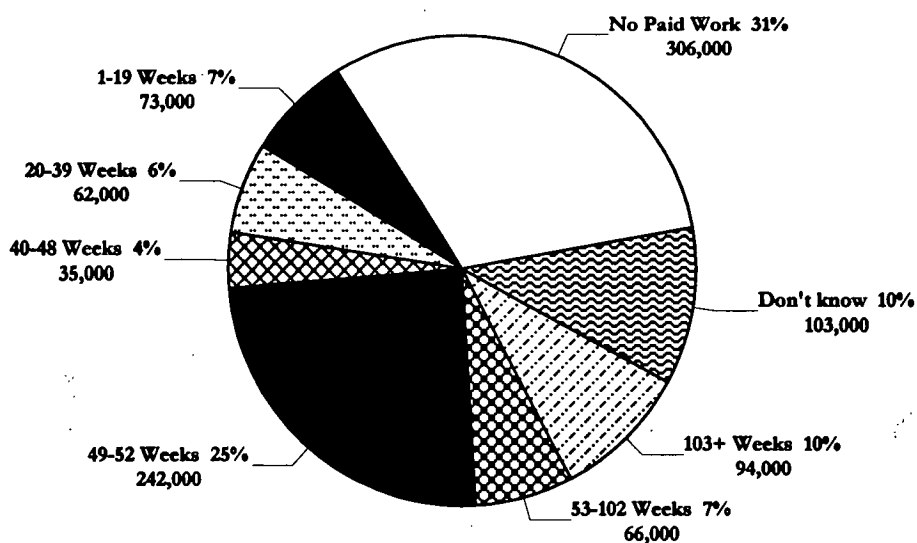


Figure 4.12: Distribution of Poor Families Under 65 by Weeks of Work, 1998



(981,000 Families)

NUMBER AND AGE OF CHILDREN

We have seen that poverty rates vary substantially by family type. Rates for two-parent families are relatively low, and rates for families led by single-parent mothers are staggeringly high. Within these general ranges, the rates vary noticeably with the number and age of children.

Figure 4.13 shows the poverty rates for two-parent families, and Figure 4.14 shows the rates for families led by single-parent mothers. Although the patterns are not perfect, the two graphs suggest that poverty rates increase with the number of children but decrease once the youngest child reaches school age.

For example, look at the poverty rates in Figure 4.14 for families led by single-parent mothers with two children. The poverty rate for these families when both children were under age seven was 87.2 percent in 1998. The rate drops to 60.9 percent when the two children were of mixed age groups - one under seven and one seven through 17. The lowest rate was 48.7 percent when both children were seven or older.

The risk of poverty is higher for families of all types with very young children because the job of caring for infants and toddlers sometimes keeps mothers out of the labour force. The absence of high-quality, affordable child care is a major problem for parents with young children, especially single parents. Mothers are more inclined to take jobs outside the home once their youngest children are off to school.

Figure 4.13: Poverty Rates for Two-Parent Families under 65, by Number and Age Group of Children Under 18, 1998

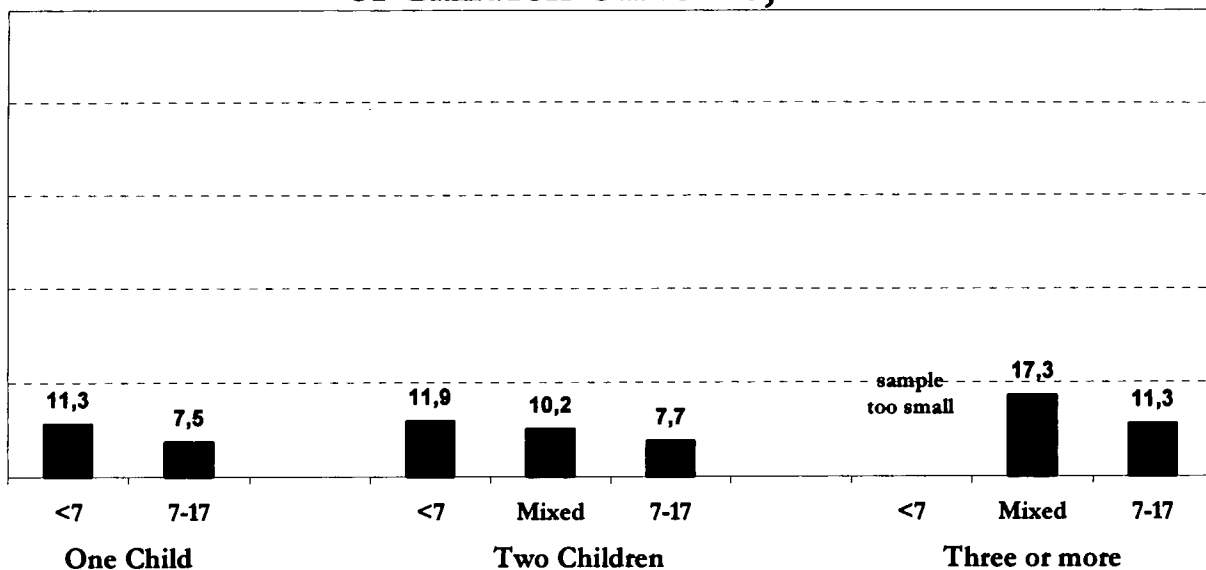
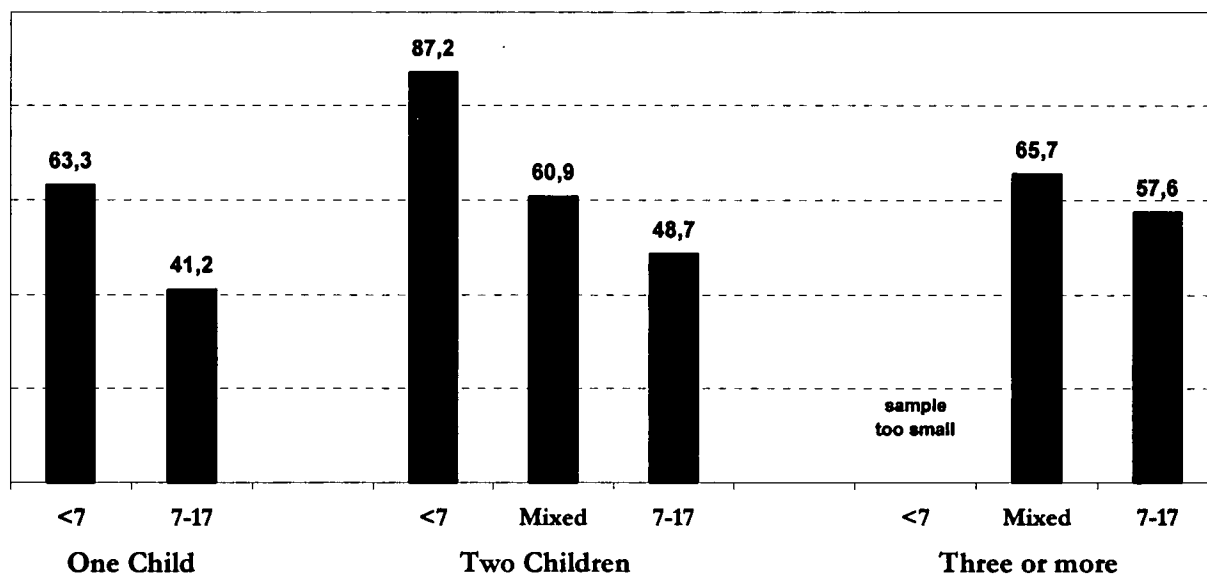


Figure 4.14: Poverty Rates for Single-Parent Mothers under 65, by Number and Age Group of Children Under 18, 1998



EDUCATION

The risk of poverty tends to decrease as people get more schooling. Figure 4.15 at the top of the next page shows that the poverty rates for unattached persons in 1998 fell more or less steadily from 55.1 percent for people who never went to high school at all to 20.7 percent for people with university degrees. The poverty rates were somewhat flatter for heads of families, but the highest rate was 20.7 percent for heads of families with less than eight years of education while the lowest rate was 5.1 percent for those with university degrees.

Figure 4.16 shows the poverty rates by family type, with the highest rates at the left of the graph. The darkly shaded bars are poverty rates for family heads or unattached individuals who did not graduate from high school. The lighter bars are poverty rates for family heads or unattached individuals with a high school diploma or more.

The patterns are similar to the patterns by family type shown at the beginning of this chapter. For both high school graduates and non-graduates, single-parent mothers and unattached individuals have higher poverty rates than couples. The poverty rate for families led by single-parent mothers with less than a high school education was 74.7 percent, the highest rate among all those who did not graduate from high school. Single-parent mothers who did graduate had a poverty rate of 48.4 percent - again the highest of any family type, but much lower than the rate for single-parent mothers without high school diplomas. This shows that family type and level of education both influence a person's risk of poverty.

Unlike every other family type, the poverty rates for couples 65 and older were virtually the same for family heads with or without a high school education.

Poor education can be either a cause of poverty or an effect. Young people who drop out of school may be poor because they lack the skills needed to get good jobs. On the other hand, young women who drop out of school if they get pregnant may be poor because of the hardships associated with single parenthood. The fact that they are poorly educated is a result of their family circumstances rather than an immediate cause of poverty.

Education has become much more important as a requirement for many jobs in recent decades. It is not surprising to find a marked difference in the poverty statistics by level of education when they are broken down into people under 65 and people 65 and older.

Figures 4.17 and 4.18 show the distribution of poor families and unattached people by level of education in 1998. The black slices of each pie represent heads of poor families and poor unattached persons who never went to high school at all. The white slices represent people who continued their formal education beyond high school.

Figure 4.15: Poverty Rates by Highest Level of Education Completed, 1998

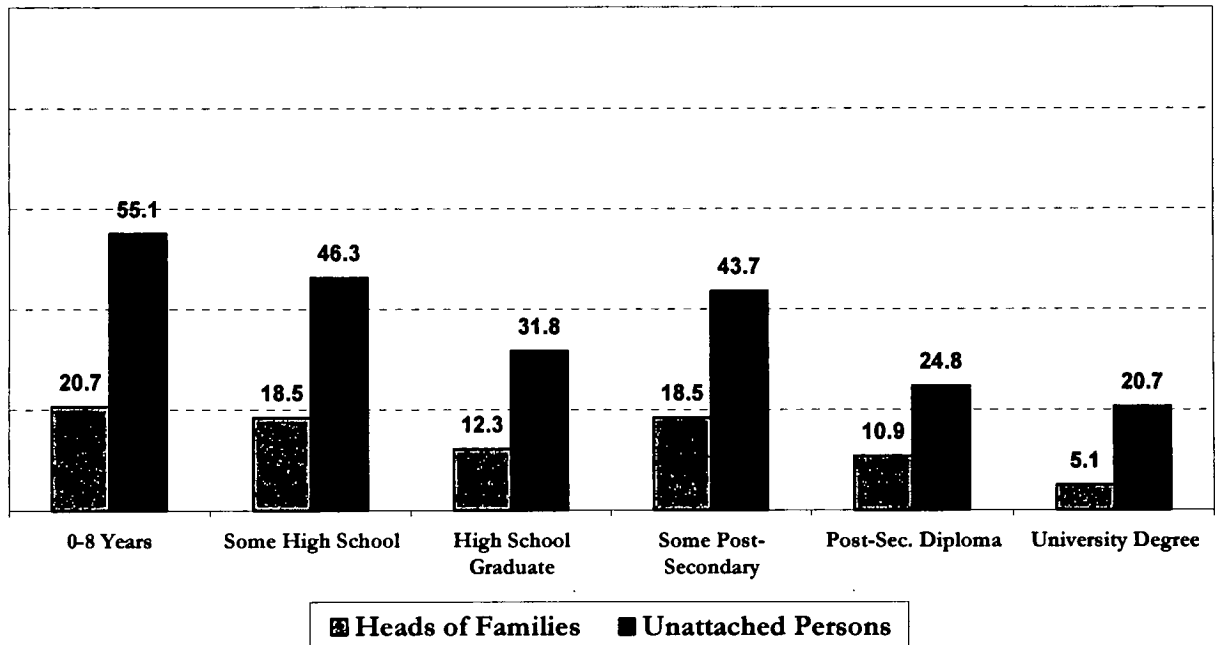


Figure 4.16: Poverty Rates by Family Type and Level of Education, 1998

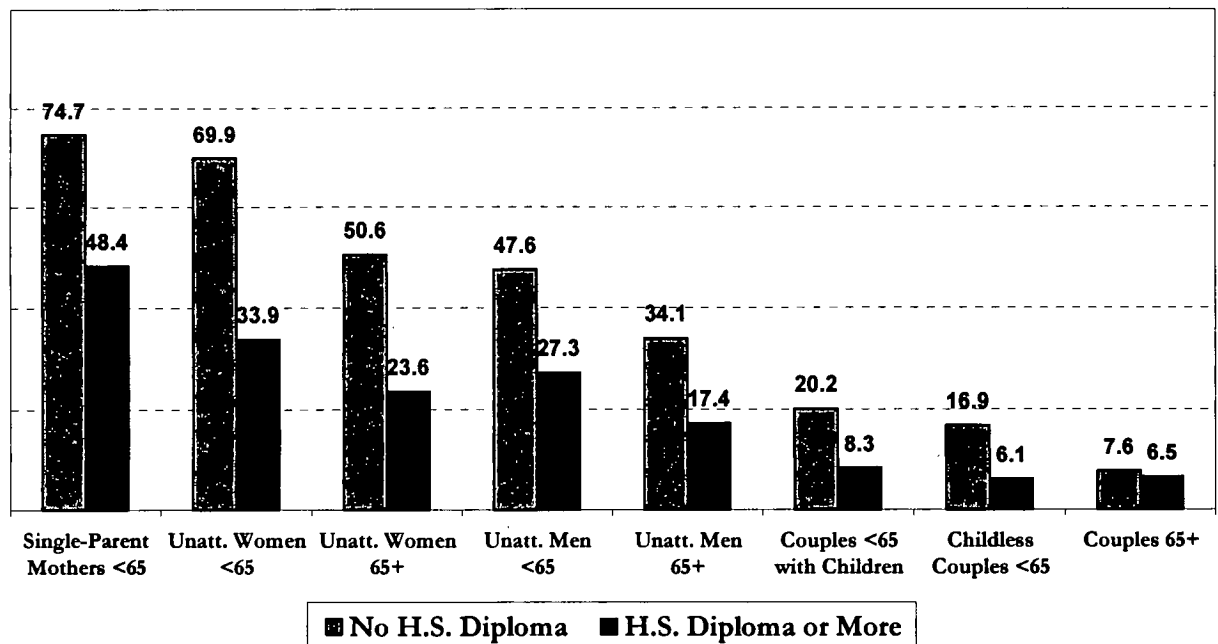
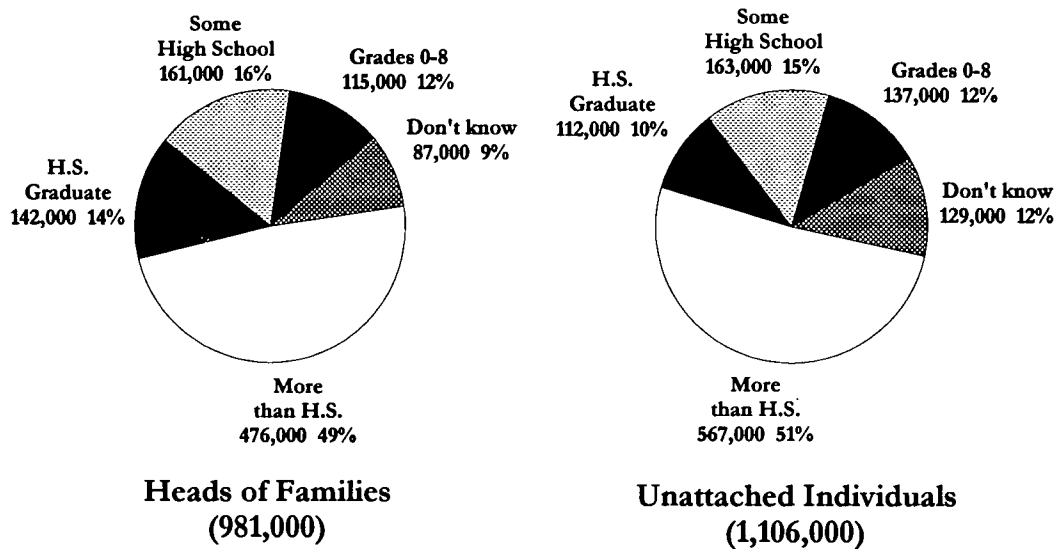


Figure 4.17 shows that relatively few poor family heads and unattached persons under 65 had less than a high school education. Most of the poor people under 65 had high school or more. In fact, 49 percent of all poor family heads under 65 and 51 percent of the poor unattached under 65 had actually gone beyond high school. Poor people are obviously not all uneducated. Poverty may be more a result of a lack of job opportunities than a lack of education.

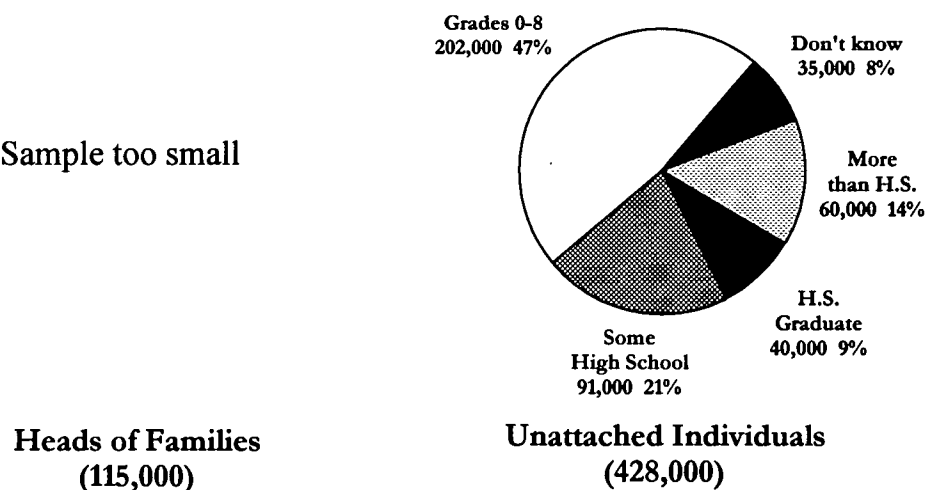
The picture is entirely different for the elderly poor, as shown in Figure 4.18. A huge proportion of poor unattached individuals 65 and older never got as far as high school, and relatively few continued beyond high school. These patterns will likely change as the more educated baby boomers born after 1945 start to join the ranks of seniors in the 21st century.

**Figure 4.17: Distribution of Poor Under 65
by Level of Education, 1998**



**Figure 4.18: Distribution of Poor 65 and Older
by Level of Education, 1998**

Sample too small

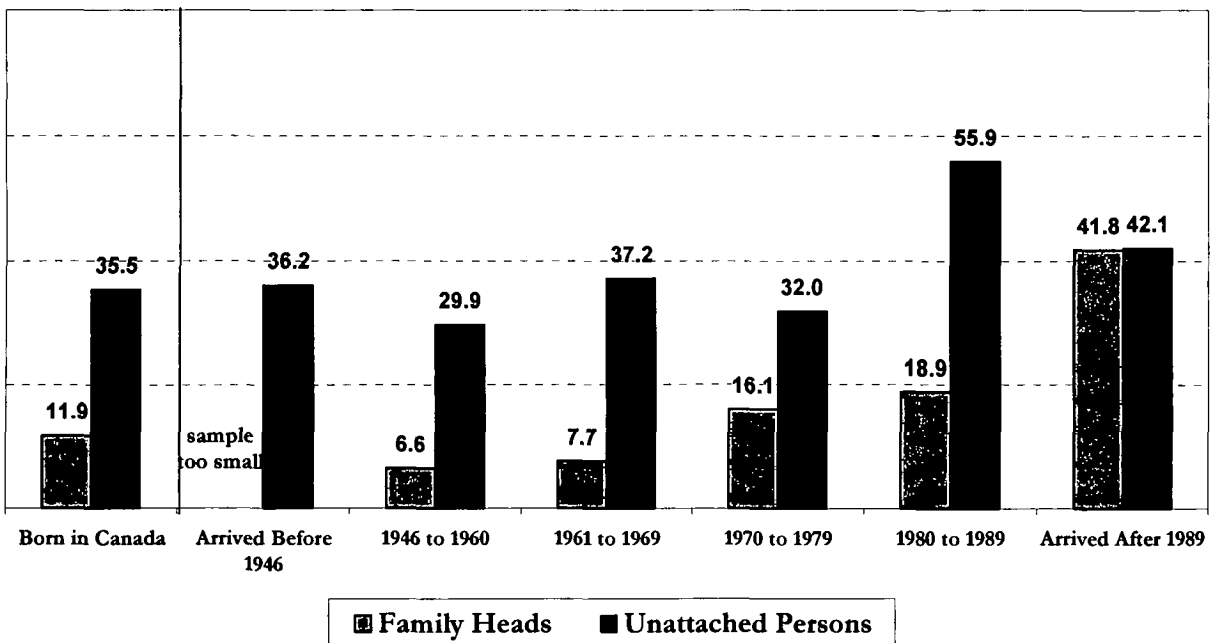


YEAR OF IMMIGRATION

Poverty rates are normally lower for unattached individuals and families headed by people born in Canada than for comparable groups of immigrants. In 1998, the poverty rate for heads of families born in Canada was 11.9 percent, and the rate for heads of families born elsewhere was 16.7 percent. There was less difference in the poverty rates for unattached individuals. The poverty rate for unattached individuals born in Canada was 35.5 percent, and the rate for all unattached individuals who immigrated to Canada was 36.9 percent.

As shown in Figure 4.19, poverty rates were relatively low for families with heads who immigrated to Canada prior to 1980 and relatively high for heads of families who immigrated in recent years, especially for the most recent immigrants. Among unattached individuals, poverty rates were lowest among people who immigrated between 1946 and 1960 and highest among those who arrived between 1980 and 1989.

**Figure 4.19: Poverty Rates for Immigrants
by Period of Immigration, 1998**



AREA OF RESIDENCE

Figures 4.20 and 4.21 show poverty among families and unattached people by the size of their communities. Each of the five categories in the graph corresponds to a set of poverty lines based on community size.

Figure 4.20 shows that poverty rates are higher in large cities than in small towns and rural areas. Figure 4.21 shows the distribution of poor families and unattached individuals by community size. In 1998, 602,000 poor families or 55 percent of all poor families and 823,000 unattached individuals or 54 percent of all poor unattached people lived in cities of half a million people or more.

The percentage of poor people living in the biggest cities is disproportionately high, because 47 percent of all families and 50 percent of all unattached individuals lived in cities of half a million or more in 1998.

Figure 4.20: Poverty Rates by Size of Area of Residence, 1998

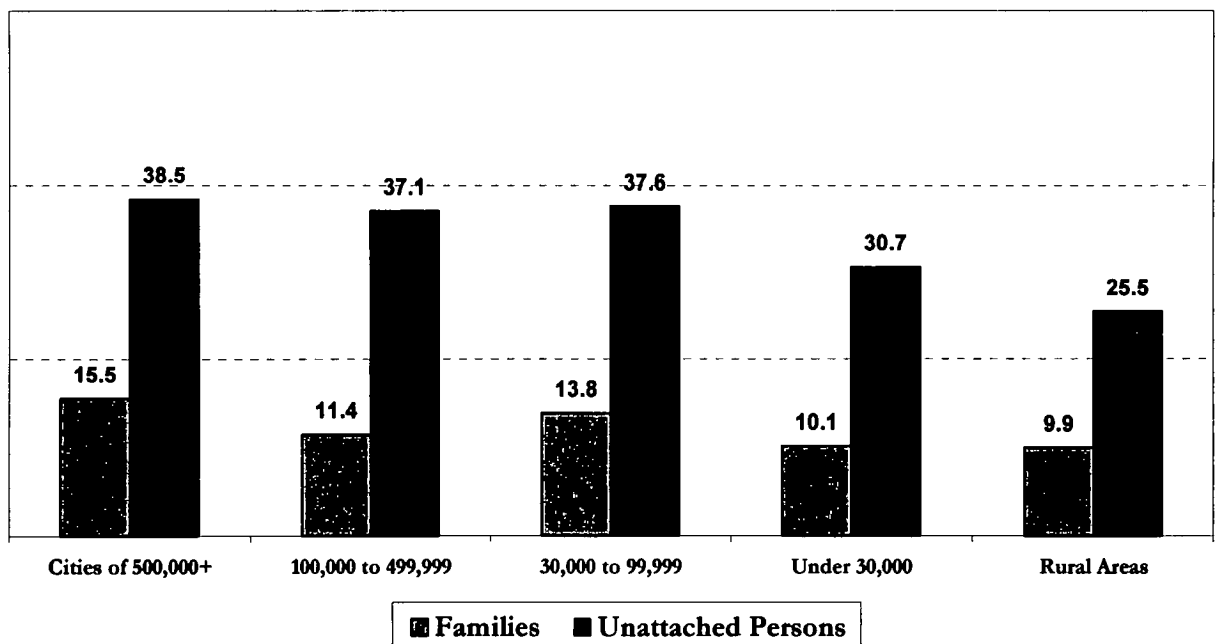
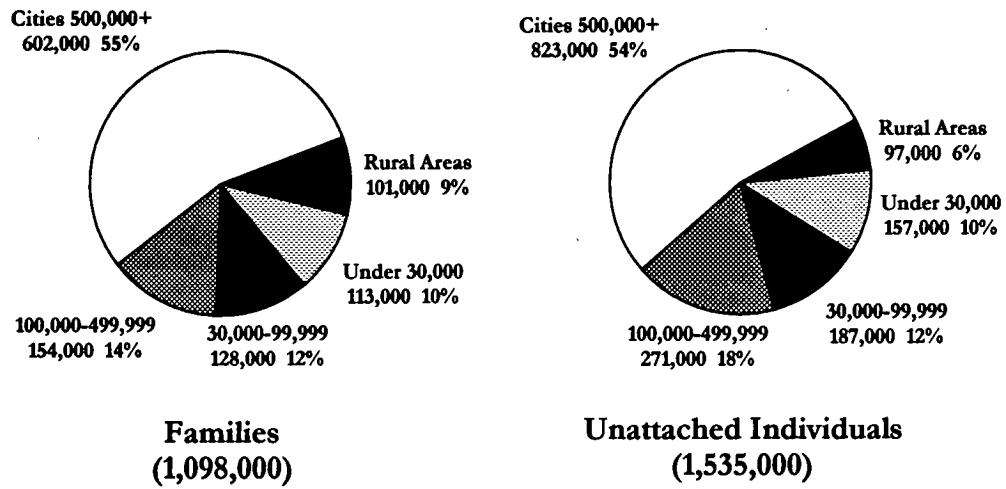


Figure 4.21: Distribution of Poor Families and Unattached Individuals, 1998



V. DEPTH OF POVERTY AND THE POVERTY GAP

It is one thing to measure the risk of poverty and another to measure its severity. Poverty rates show the percentage of the population that is poor each year, but they do not show whether poor people are living in abject poverty or a few dollars below the poverty line. For that, we need measures of the “depth of poverty.” Depth of poverty statistics also allow us to calculate the “poverty gap” to show how much additional income would be needed to bring all Canadians out of poverty.

**Figure 5.1: Depth of Poverty
by Family Type, 1998**

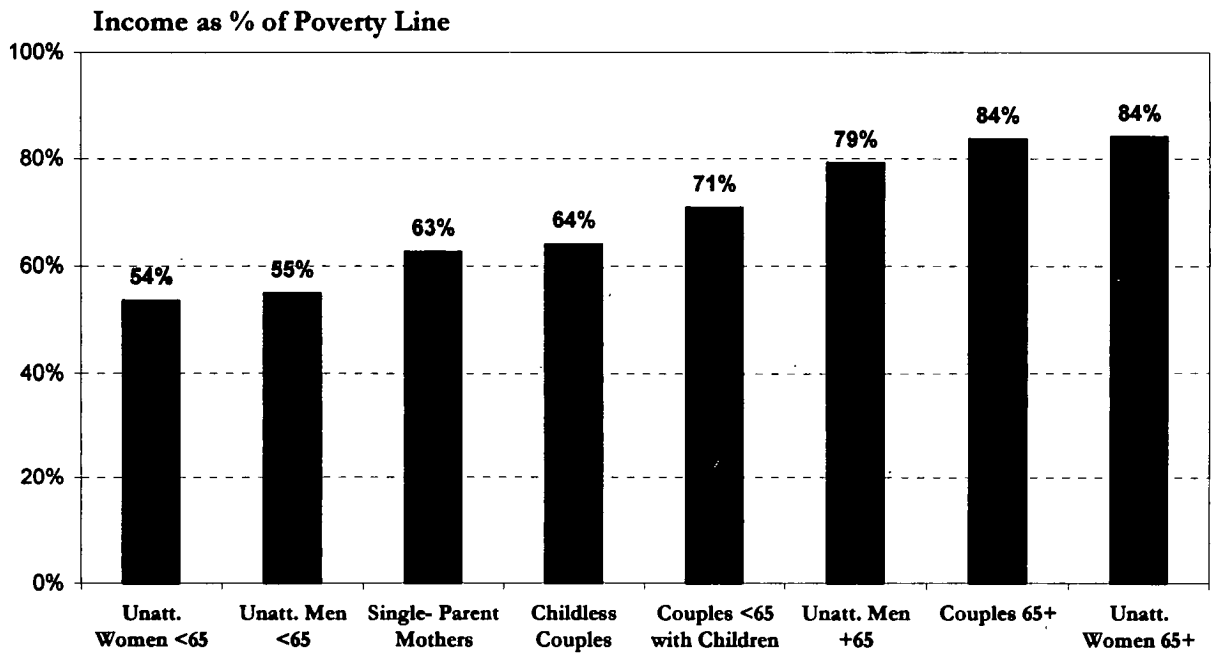


Figure 5.1 shows the average incomes of poor Canadians as a percentage of the poverty line for the eight family types that were highlighted in previous chapters. The groups are arranged with the poorest at the left of the graph and the least poor at the right. Unattached individuals under 65 were the poorest of the eight family types in 1998, with total incomes that were only 54 percent of the poverty line on average for women and 55 percent on average for men. Poor elderly couples and poor unattached women 65 and older were at the other end, with average incomes of 84 percent of the poverty line.

Depth of poverty can also be expressed in dollars as the difference between the poverty line and the average income of poor families or unattached individuals. Table 5.1 shows the average depth of poverty by family type for 1980, 1997 and 1998, with all the figures in 1998 constant dollars to factor out the effects of inflation over the years.

**TABLE 5.1: AVERAGE DEPTH OF POVERTY BY FAMILY TYPE
IN CONSTANT 1998 DOLLARS**

Family Type	Dollars Below Poverty Line in 1980	Dollars Below Poverty Line in 1997	Dollars Below Poverty Line in 1998
Single-Parent Mothers under 65 with Children under 18	\$10,549	\$9,458	\$9,230
Couples under 65 with Children under 18	\$8,692	\$8,925	\$8,772
Unattached Women under 65	\$7,664	\$7,100	\$7,038
Unattached Men under 65	\$7,347	\$7,055	\$6,803
Childless Couples under 65	\$7,030	\$7,097	\$7,170
Unattached Men 65 and Older	\$4,312	\$3,012	\$3,280
Unattached Women 65 and Older	\$4,150	\$2,528	\$2,475
Couples 65 and Older	\$3,532	\$3,183	\$3,488

Single-parent mothers under 65 with children under 18 had the largest depth of poverty in all three years in terms of dollars below the poverty line. Their situation improved marginally in 1998, but they remained \$9,230 on average below the poverty line. Poor couples under 65 with children under 18 saw their situation deteriorate between 1980 and 1998. These couples were at \$8,692 below the poverty line in 1980, \$8,925 below in 1997 and \$8,772 below in 1998.

Unattached women and men under 65 came next. They were worst off when depth of poverty was expressed as a percentage of the poverty line, but had a different ranking when the measure was dollars below the poverty line. The explanation for this apparent inconsistency is that the poverty lines are higher for families than they are for unattached people. A family of four living in a large city at half the 1998 poverty line of \$32,706 would have been \$16,353 below the line, while a single person at half the poverty line of \$16,486 would have been \$8,243 below the line.

Poor couples under 65 without children were \$7,170 below the poverty line on average in 1998, an increase of \$140 since 1980.

Poor unattached women and men 65 and older have seen their depth of poverty decrease over the 18-year period. In 1996, 1997 and 1998, the gap for unattached elderly men increased each year, but still remains \$1,032 below the figure for 1980.

The pattern has been more erratic for poor senior couples with their depth of poverty moving up and down over the years. Similar to elderly unattached men, the poverty gap for poor senior couples has increased between 1996 and 1998. Unlike elderly unattached men, the depth of poverty for poor senior couples in 1998 was almost the same as it was 18 years ago, only \$44 lower than in 1980.

Using the average depth of poverty in dollars for different family types and the number of families or unattached individuals in each group, it is possible to calculate Canada's total poverty gap. Canada's total poverty gap is the amount of additional income that would be required to bring all Canadians above the poverty line in any given year.

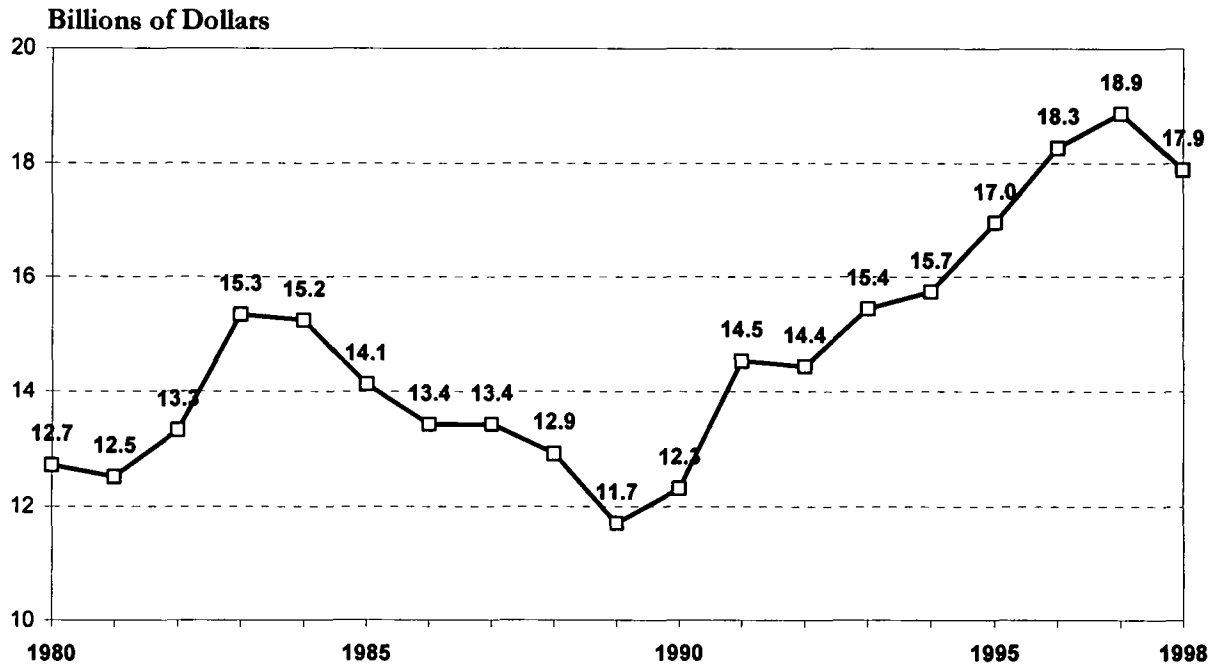
The poverty gap in 1998 was \$17.9 billion, as shown in Table 5.2. Four family types accounted for more than three-quarters of the gap: unattached men and women under 65, couples under 65 with children under 18, and single-parent mothers under 65 with children under 18. The ranking of these four groups changes from year to year, but no other family types come close to the size of their poverty gaps.

TABLE 5.2: TOTAL POVERTY GAP BY FAMILY TYPE, 1998

	Poverty Gap	% of Total Gap
Unattached Men under 65	\$3,834,000,000	21.4%
Unattached Women under 65	\$3,819,000,000	21.4%
Single-Parent Mothers under 65 with Children under 18	\$2,899,000,000	16.2%
Couples under 65 with Children under 18	\$2,797,000,000	15.6%
Couples under 65 without Children	\$1,146,000,000	6.4%
Unattached Women 65 and Older	\$831,000,000	4.6%
Unattached Men 65 and Older	\$307,000,000	1.7%
Couples 65 and Older	\$237,000,000	1.3%
Others	\$2,015,000,000	11.3%
Total Poverty Gap	\$17,885,000,000	100.0%

Canada's poverty gap rose and fell in recent years in much the same way that poverty rates rose and fell, as shown in Figure 5.2. All the dollar figures have been expressed in constant 1998 dollars to show the trends with the effects of inflation removed. The gap was \$12.7 billion in 1980. It rose to \$15.3 billion in 1983 in the wake of the recession, and it fell for most of the rest of the decade. With the start of another recession in 1990, the gap rose once again and continued steeply upward to a high of \$18.9 billion in 1997. The gap fell by \$1 billion in 1998, dropping to \$17.9 billion.

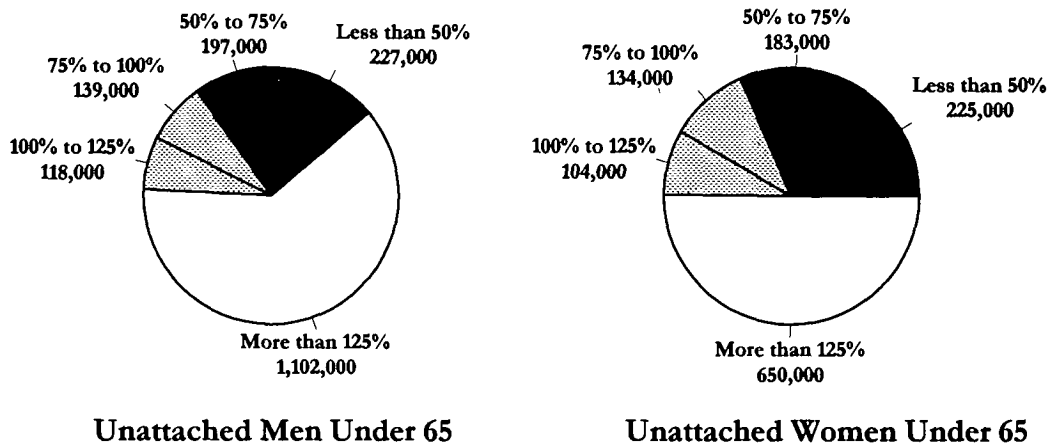
**Figure 5.2: Canada's Total Poverty Gap
in Constant 1998 Dollars**



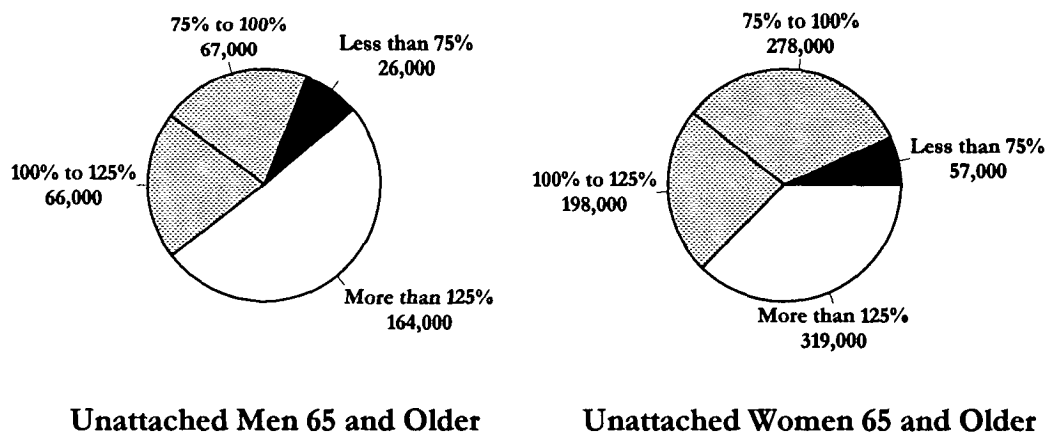
A third way of looking at depth of poverty is to group families and unattached individuals into income categories based on percentages of the poverty lines, as in Figures 5.3 to 5.6. Each family type is represented by a pie, and the slices of the pies represent people in five income categories: less than 50 percent of the poverty line, 50 to 75 percent of the line, 75 to 100 percent of the line, 100 to 125 percent of the line, and more than 125 percent of the line.

The income distributions for unattached men and women under 65 are shown in Figure 5.3. Relatively large numbers of people were well below the poverty line in 1998. The poorest of the poor were the 227,000 poor unattached men under 65 and the 225,000 poor unattached women under 65 with incomes of less than 50 percent of the poverty line. They would have needed to more than double their incomes to escape from poverty.

**Figure 5.3: Income Distributions in 1998
as Percentages of Poverty Line for
Unattached Individuals Under 65**



**Figure 5.4: Income Distributions in 1998
as Percentages of Poverty Line for
Unattached Individuals 65 and Older**



The income distributions were markedly different for the unattached men and women 65 and older as shown in Figure 5.4. The category less than 50 percent of the poverty line was so small that it had to be combined with the category 50 to 75 percent of the poverty line to be statistically valid. Over 600,000 unattached seniors fell into the two categories shown in light grey which represent 75 to 100 percent of the poverty line and 100 to 125 percent of the line. With this kind of income distribution, poverty rates could fall or rise noticeably if unattached seniors saw their incomes go up or down by even a few dollars a week - or if Statistics Canada changed its methodology to raise or lower the poverty lines even a few dollars.

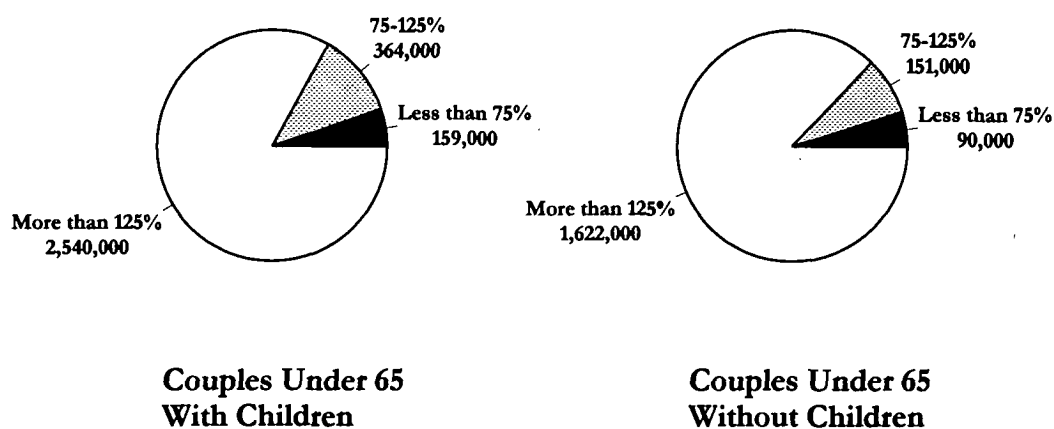
Just to get an idea of the impact of modest increases or decreases in income for unattached individuals of all ages, the National Council of Welfare recalculated the 1998 poverty statistics according to hypothetical best-case and worst-case scenarios.

In the best-case scenario, we assumed that all the poor unattached people with incomes between 75 and 100 percent of the poverty line - one of the light grey slices of each pie - got enough additional income in 1998 to put them over the poverty line. The number of poor unattached individuals would have dropped from 1,536,000 to 916,000 under this scenario, and the poverty rate would have fallen from 36.1 percent to 21.5 percent.

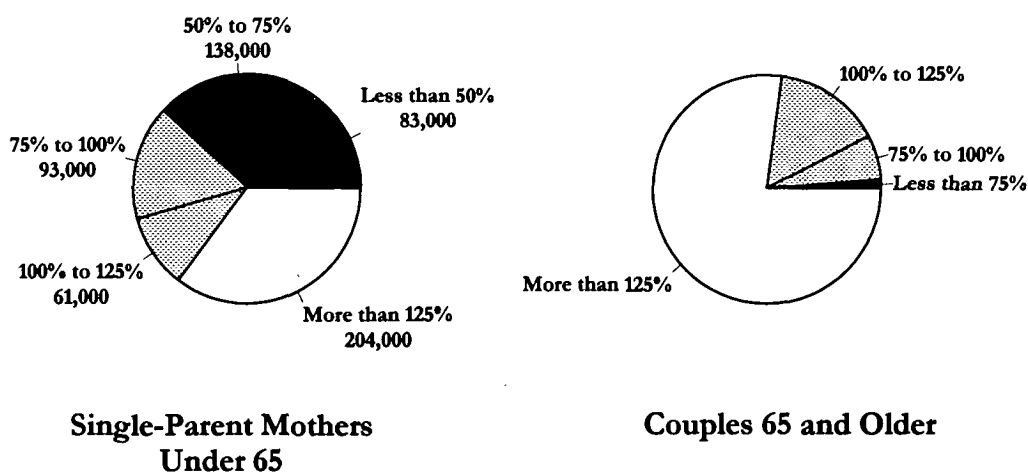
In the worst-case scenario, we assumed that all "near poor" unattached persons with incomes of 100 to 125 percent of the poverty line - the other light grey slice of each pie - lost enough income in 1998 to fall into poverty. The number of poor unattached individuals would have risen from 1,536,000 to 2,022,000 under this scenario, and the poverty rate would have shot up from 36.1 percent to 47.5 percent.

Figures 5.5 to 5.6 present the same kind of income distributions for families. The three pies for couples under 65 with children under 18, couples under 65 without children, and couples 65 and older are similar. The vast majority of families had incomes of more than 125 percent of the poverty line. The light grey slices representing incomes of 75 to 100 percent of the poverty line and 100 to 125 percent of the line are relatively small - so small that the categories had to be combined in two of the pies to be identified clearly. Two other categories - under 50 percent of the poverty line and 50 to 75 percent of the line - were even smaller and also had to be combined.

**Figure 5.5: Income Distributions in 1998
as Percentages of Poverty Line for Couples Under 65**



**Figure 5.6: Income Distributions in 1998
as Percentages of Poverty Line for
Single-Parent Mothers and Couples 65 and Older**



The one family type that was the exception to the overall pattern for families was single-parent mothers under 65 with children under 18. That particular pie shows relatively few single-parent mothers with incomes of 125 percent or more of the poverty line compared to the other three family types. It also shows 83,000 single-parent mothers with incomes of less than half the poverty line and 138,000 mothers at 50 to 75 percent of the poverty line.

Under a hypothetical best-case scenario, all families at 75 to 100 percent of the poverty line would get additional income and move out of poverty. The number of poor families would drop from 1,099,000 to 622,000 in 1998 and the poverty rate would fall from 13.2 percent to 7.5 percent.

Under a worst-case scenario, families at 100 to 125 percent of the poverty line would fall into poverty. The number of poor families would rise from 1,099,000 to 1,699,000, and the poverty rate would go up from 13.2 percent to 20.5 percent.

The National Council of Welfare has long been alarmed about the number of people who were living at less than half the poverty line, and we were dismayed to see the numbers go up in the years following the 1990-1991 recession despite the continuing overall improvements in the economy. In 1998 we saw some improvements for couples. The number of single-parent mothers and unattached individuals under 65 living in extreme poverty, however, continues to be abominably high.

There has been a sharp increase in the ranks of the poorest of the poor since 1989 as governments at all levels cut back services and income supports to poor people. Cuts in welfare by provincial and territorial governments and cuts in employment insurance by the federal government probably go a long way to explaining the appalling situation.

Figures 5.7 to 5.10 highlight the increase in abject poverty from 1989 through 1998. There were a total of 83,000 single-parent mothers under 65 with children under 18 living at less than 50 percent of the poverty line in 1998. That was the second highest number recorded since 1989, the year before the start of the 1990-1991 recession. There were 36,000 more families living in extreme poverty in 1998 than in 1989.

Like single-parent mothers, the number of unattached individuals with incomes less than 50 percent of the poverty line presents a bleak picture. There was a small decrease in 1998, but the number of extremely poor unattached people in 1998 was very high at 452,000. This is close to double the low observed in 1990 of 246,000 unattached individuals living at less than 50 percent of the poverty line.

In the case of couples under 65 with children under 18 and couples under 65 without children, the figures on the poorest of the poor decreased in 1998. The numbers of these very poor families dropped close to levels last seen in 1990-1991.

Adding in miscellaneous family types and a few thousand very poor seniors produces a grand total for 1998 of 233,000 families and 463,000 unattached individuals living at less than half the poverty line.

These figures provide the definitive rebuttal to people who believe that poverty is not a problem in Canada. People who live at less than half the poverty line are poor by any reasonable standard. It is tragic to think of so many people living in abject poverty, and it is appalling to see the figures remain at high levels as the economy continues to improve. The National Council of Welfare believes this is a problem of the highest magnitude that cries out for an immediate response from governments.

Figure 5.7: Single-Parent Mothers under 50% of Poverty Line

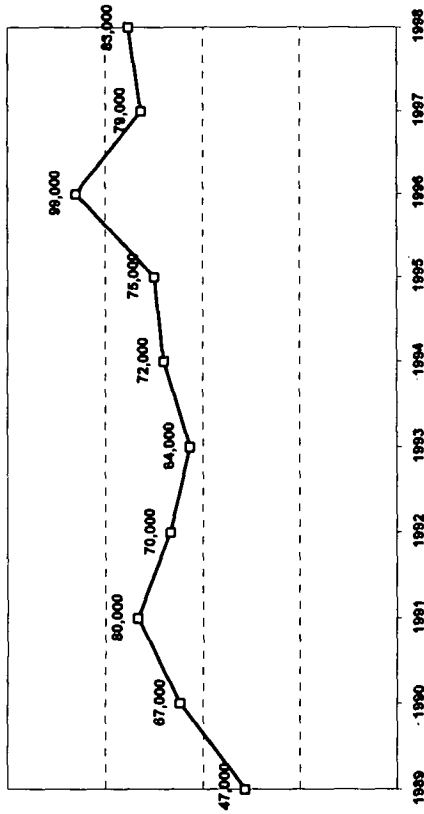


Figure 5.8: Childless Couples under 65 Under 50% of Poverty Line

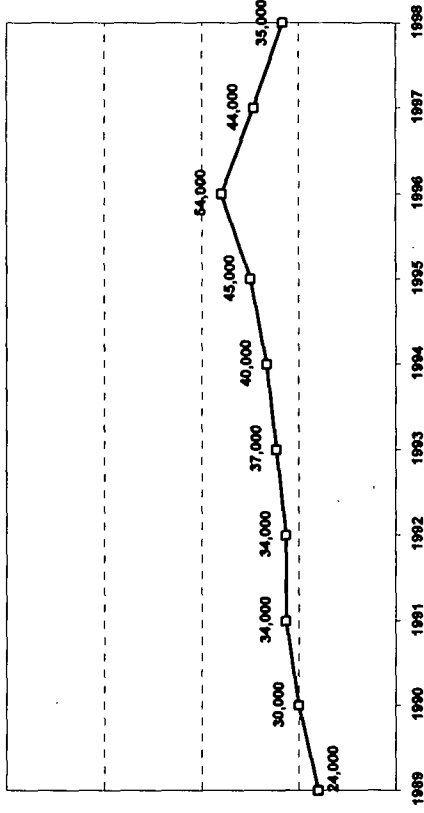


Figure 5.9: Couples under 65 with Children Under 50% of Poverty Line

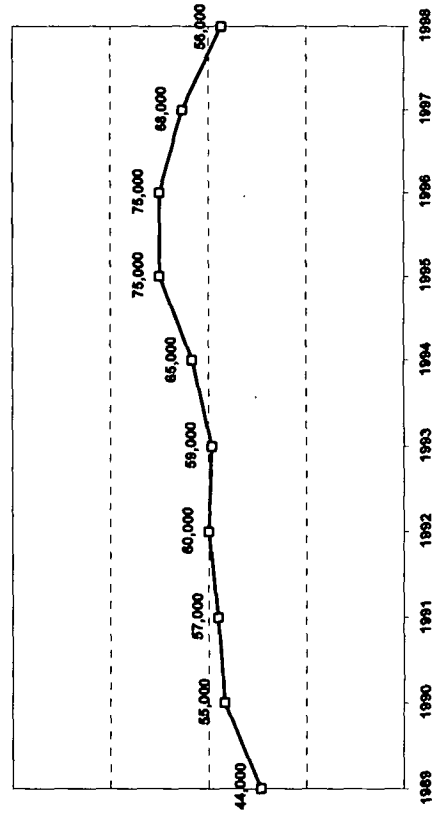
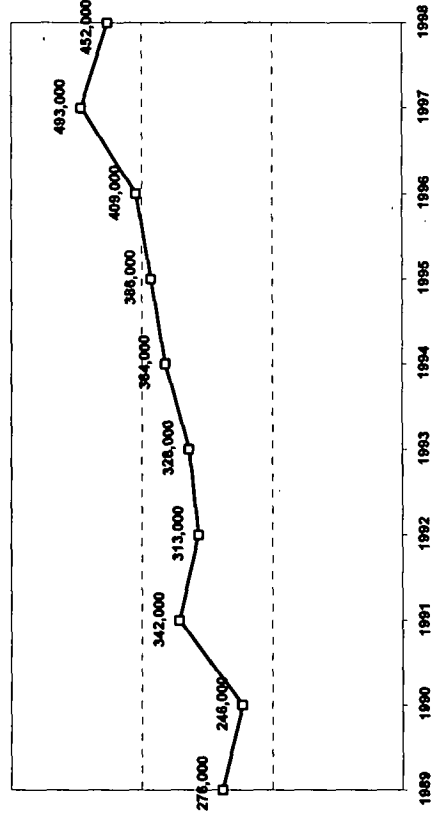


Figure 5.10: Unattached Persons under 65 Under 50% of Poverty Line



VI. POOR CANADIANS AND THEIR SOURCES OF INCOME

One measure of the financial plight of poor people is how far they live below the poverty line. Another is how their incomes compare to average incomes. Table 6.1 shows the average income of poor Canadians by family type in 1998, the average income of all Canadians by family type, and the relationship between the two. For example, unattached men under 65 who were poor had a total income of \$8,231 on average in 1998. The income of all unattached men under 65, both poor and non-poor, was \$29,695 on average. The average income of the poor amounted to 28 percent of the average income of all unattached men under 65.

TABLE 6.1: INCOMES OF THE POOR COMPARED TO AVERAGE INCOMES, 1998

Family Type	Average Income of Poor	Average Income of All	Income of Poor as Percentage of All
Unattached Women under 65	\$8,048	\$23,892	34%
Unattached Men under 65	\$8,231	\$29,695	28%
Childless Couples under 65	\$12,173	\$63,961	19%
Unattached Men 65 and Older	\$12,237	\$26,471	46%
Unattached Women 65 and Older	\$12,773	\$20,372	63%
Single-Parent Mothers under 65 with Children under 18	\$15,145	\$27,195	56%
Couples 65 and Older	\$17,861	\$41,683	43%
Couples under 65 with Children under 18	\$21,218	\$70,043	30%

The differences between the average incomes of the poor and all Canadians are striking. Poor couples under 65 with children under 18 had an average family income of \$21,218 in 1998, for example, while the average income of all couples with children under 18 was \$70,043 or more than three times as large.

The differences were much less in the cases of unattached seniors and single-parent mothers, because average incomes were much less. The average income for poor single-parent mothers under 65 with children under 18 was \$15,145 in 1998, but the average income of all single-parent mothers was only \$27,195 - much less than the average income of \$70,043 for all couples with children.

The incomes of poor people last peaked earlier in the decade, and the overall trend has been slightly downward ever since. Between 1997 and 1998, the average incomes of senior couples and childless couples dropped just over \$500 when measured in constant dollars. Average incomes dropped slightly for poor unattached women under 65 and unattached men 65 and older. The incomes of poor single-parent mothers under 65 had the largest increase from an average of \$14,665 in 1997 to \$15,145 in 1998. Incomes were up slightly for the three remaining family types.

Obviously, many poor Canadians rely on government programs of one kind or another to help make ends meet. In some cases, the amounts provided by governments are surprisingly modest, and the amounts provided by earnings and non-government sources of income are substantial. In other cases, especially in the case of poor seniors, governments provide a very large portion of total income.

Table 6.2 shows the average amount of "transfer payments" received by poor families and unattached individuals in 1998. Transfer payments include Employment Insurance, Old Age Security, Canada and Quebec Pension Plans, Guaranteed Income Supplements, Spouse's Allowance, Child Tax Benefit, other child credits or allowances, welfare from provincial and municipal programs, workers' compensation benefits, GST/HST credits, provincial and territorial tax credits and any other government transfers. The Canada and Quebec Pension Plans and Employment Insurance are government-run programs, but the money comes from contributions by workers and employers, not from government.

The family types in the table are ranked according to the average size of transfer payments, with the smallest amounts first. The second column gives the average incomes of poor families and unattached individuals from all sources - the same figures as in Table 6.1. The third column gives the percentage of total income from transfers.

Government programs of one kind or another provided half of total income or less for the first four family types, 67 percent of total income for single-parent mothers under 65 with children under 18, and 91 to 96 percent of total income for the three family types 65 or older.

TABLE 6.2: TRANSFER PAYMENTS TO THE POOR BY FAMILY TYPE, 1998

Family Type	Average Transfer Payment	Average Income from All Sources	Transfers as Percentage of Total Income
Unattached Women under 65	\$3,690	\$8,048	46%
Unattached Men under 65	\$3,911	\$8,231	48%
Childless Couples under 65	\$6,090	\$12,173	50%
Couples under 65 with Children under 18	\$9,914	\$21,218	47%
Single-Parent Mothers under 65 with Children under 18	\$10,079	\$15,145	67%
Unattached Men 65 and Older	\$11,802	\$12,237	96%
Unattached Women 65 and Older	\$11,667	\$12,773	91%
Couples 65 and Older	\$16,272	\$17,861	91%

SENIOR COUPLES AND UNATTACHED INDIVIDUALS

One reason that poverty rates for seniors have plummeted over the years has been the variety of government programs for seniors. Table 6.3 provides a closer look at these and other common sources of income for poor senior couples and poor unattached men and women 65 and older. For each family type, there are two columns. The first column indicates the percentage of poor families or unattached individuals with income from a particular source. The second column gives the average amount received by recipients only. Poor people who did not receive a particular type of income were not included in calculating the average amount of that type of payment.

Almost all poor seniors got a sizable portion of their total incomes from the federal government's Old Age Security pension and Guaranteed Income Supplement. The reason that less than 100 percent of seniors received income from these two programs is probably because some poor seniors were recent immigrants to Canada who did not meet the residence requirements of the programs. The maximum Old Age Security pension and Guaranteed Income Supplement for senior couples in 1998 was \$17,392 and the maximum for an unattached senior was \$10,727.

The second most important source of income was the Canada or Quebec Pension Plans. CPP or QPP benefits were received by 73 percent of poor unattached senior women and by 78 percent of poor senior couples and 78 percent of poor unattached senior men. The maximum retirement benefit under the two plans was \$8,937 in 1998, and the maximum survivor pension for a person

65 and older was \$5,362. The maximums relate to career earnings above the average wage. People who had lower earnings during their careers get lower benefits.

Some poor seniors had income from investments in 1998, but the average amounts were modest.

The category “provincial supplements” refers to the supplements for low-income seniors given by some provincial governments. It also includes some welfare benefits for seniors in provinces that do not have supplements. The amounts provided by these programs vary greatly from province to province, and the amounts received were modest on average.

Less than a quarter of poor seniors had income from occupational pension plans. Poor coverage has been a long-term problem of occupational pension plans, and Table 6.3 shows how little retirement income the plans provided to people who retired at the low end of the income scale.

TABLE 6.3: SOURCES OF INCOME FOR POOR SENIORS, 1998

	Poor Couples 65 and Older (68,000)		Poor Unattached Men 65 and Older (94,000)		Poor Unattached Women 65 and Older (336,000)	
	Percent Who Received	Average Amount to Recipient	Percent Who Received	Average Amount to Recipient	Percent Who Received	Average Amount to Recipient
Old Age Pension and Guaranteed Income Supplement	93%	\$11,863	98%	\$8,143	100%	\$8,511
Canada and Quebec Pension Plans	78%	\$5,401	78%	\$3,802	73%	\$3,378
Investments and Savings	51%	\$2,096	31%	\$365	46%	\$1,464
Provincial Supplements	sample too small		30%	\$1,175	27%	\$780
Occupational Pension Plans and RRSPs *	22%	\$2,022	18%	\$2,049	18%	\$1,999
Income from All Sources	100%	\$17,861	100%	\$12,237	100%	\$12,773

* Includes retirement pensions, superannuation, annuities, RRSP annuities received and RRIF withdrawals, RRSP withdrawals. Previous editions of Poverty Profile reported RRSPs separately.

FAMILIES AND UNATTACHED INDIVIDUALS UNDER 65

A different picture emerges when we look at sources of income for poor people under 65. Earned income is often the major source of income, although welfare and employment insurance benefits are also important. Details are provided in Table 6.4.

In 1998, more than half of families listed in Table 6.4, regardless of family type, received earnings. Earnings were reported by 59 percent of poor unattached men and by 54 per cent of poor unattached women. Fifty-six percent of poor single-parent mothers reported earnings. The percent of couples that reported earnings was higher at 61 percent of poor childless couples and 80 percent of poor couples under 65 with children under 18.

The only other sources of income that were received by a higher percentage of families than earnings were the Child Tax Benefit for couples with children, and welfare and the Child Tax Benefit for single-parent mothers.

The average amounts of earnings were noteworthy in all cases. The average of \$7,486 earned by poor single-parent mothers, for example, was equivalent to 31 weeks of work for 40 hours a week at a rate of \$6 an hour or 16 weeks of full-time work at \$12 an hour.

The percentage of poor people under 65 with income from earnings has slumped in recent years. Only the percentages for childless couples and single-parent mothers were close to the pre-recession figures for 1989 or 1990.

A sizeable portion of each of the five family types received welfare during 1998. Welfare payments were reported by 40 percent of poor unattached men under 65 and 38 percent of the poor unattached women under 65. Slightly smaller percentages of couples received welfare. Thirty-three percent of poor childless couples under 65 and 35 percent of the poor couples under 65 with children under 18 received welfare in 1998. A substantially higher proportion of poor single-parent mothers, 69 percent, received welfare.

TABLE 6.4: SOURCES OF INCOME FOR POOR FAMILIES AND POOR UNATTACHED INDIVIDUALS UNDER 65, 1998

Source of Income	Unattached Men (561,000)			Unattached Women (540,000)			Couples without Children (160,000)			Couples with Children (319,000)			Single-Parent Mothers (314,000)		
	Percent Who Receive	Average Amount to Recipient		Percent Who Receive	Average Amount to Recipient		Percent Who Receive	Average Amount to Recipient		Percent Who Receive	Average Amount to Recipient		Percent Who Receive	Average Amount to Recipient	
Earnings	59%	\$6,679		54%	\$7,152		61%	\$7,437		80%	\$12,988		56%	\$7,486	
Welfare	40%	\$5,504		38%	\$6,072		33%	\$8,701		35%	\$9,689		69%	\$7,917	
Employment Insurance	14%	\$4,726		11%	\$2,773		15%	\$4,600		23%	\$4,394		12%	\$3,256	
Investments	9%	\$1,958		15%	\$875		27%	\$1,504		24%	\$941		7%	\$82	
Child Tax Benefit	0%	\$0		0%	\$0		0%	\$0		100%	\$4,190		100%	\$3,356	
Canada & Quebec Pension Plans	10%	\$5,248		14%	\$4,271		24%	\$6,653		4%	\$5,125			Sample size too small	
Occupational Pension Plans and RRSPs *		Sample size too small		3%	\$3,353			Sample size too small			Sample size too small			Sample size too small	
Workers' Compensation	5%	\$4,029			Sample size too small			Sample size too small		7%	\$4,993			Sample size too small	
Income from All Sources	100%	\$8,231		100%	\$8,048		100%	\$12,173		100	\$21,218		100.0%	\$15,145	

* Includes retirement pensions, superannuation, annuities, RRSP annuities received and RRIF withdrawals, RRSP withdrawals. Previous editions of Poverty Profile reported RRSPs separately.

Calculations by the National Council of Welfare for 1998 show that unattached people could have received provincial welfare and related benefits ranging between \$1,124 and \$6,623 a year, single parents with one child between \$9,184 and \$11,659, and couples with two children \$11,332 to \$14,953.⁵

Employment insurance benefits were reported in 1998 by 14 percent of the poor unattached men under 65 and by 11 percent of the poor unattached women under 65. For couples, 15 percent of the poor childless couples under 65 and 23 percent of the poor couples under 65 with children under 18 received income from employment insurance. Twelve percent of the poor single-parent mothers under 65 with children under 18 received income from employment insurance in 1998.

In 1998, employment insurance replaced 70 percent of insurable earnings for beneficiaries with children and low earnings. The replacement rate was 55 percent of insurable earnings for other workers.

Between seven and 27 percent of poor families and unattached individuals under 65 had income from investments. The amounts received were modest, ranging from a low of \$82 on average for single-parent mothers to a high of \$1,958 on average for unattached men less than 65.

The federal Child Tax Benefit was introduced in 1993 to replace Family Allowances, the refundable Child Tax Credit and the non-refundable credit for families with children under 18 who pay federal income tax. As of July 1, 1998, the Child Tax Benefit was replaced by the Canada Child Tax Benefit. In 1998, for example, a single-parent with one child under seven received a maximum of \$1,536 through this program and a two-parent family with two children aged ten and 15 received a maximum of \$2,545. The rates were somewhat different in Quebec and Alberta at the request of the two provincial governments.⁶

Canada and Quebec Pension Plan benefits were claimed by 10 percent of poor unattached men under 65, 14 percent of poor unattached women under 65, 24 percent of poor couples under 65 without children, and much smaller percentages of the two other family types. The Survey of Labour and Income Dynamics does not specify the type of benefit, but the recipients could have been people between 60 and 65 who took early retirement, widows or widowers who received survivor pensions from the plans, or people who got disability pensions. Similarly, people who got money from occupational pension plans could have received retirement, survivor or disability pensions.

⁵ Detailed calculations of welfare incomes and related benefits in each province and territory are available in the National Council of Welfare publication Welfare Incomes 1998-1999. The income ranges in the text are for provincial welfare and other provincial benefits only. They do not include welfare and related benefits in Yukon or the Northwest Territories, and they do not include federal government benefits.

⁶ Payments in Alberta varied with the age of the child, and payments in Quebec varied with the age of the child and the number of children in a family.

A very small percentage of poor families and unattached individuals received workers' compensation. As in the case of pensions, however, it was an important source of income to the people who received it.

Income received from child or spousal support was not available for 1998. Data for 1997 showed that support payments were an important source of income for poor single-parent mothers. Seventeen percent of these families received support payments in 1997, and the average amount received was \$4,167.

While the data in Table 6.4 are enlightening, they do not give a clear picture of typical combinations of income. Obviously, some poor people have only one main source of income and others have more than one.

The National Council of Welfare asked Statistics Canada to do special data tabulations to differentiate the poor families and unattached individuals in Table 6.4 according to their primary source or sources of income. Primary sources of income for people under 65 were assumed to be earnings, welfare and Employment Insurance (EI).

The result was a series of data runs based on different combinations of income: earnings alone, welfare alone, earnings and welfare together, and earnings and EI together. Other possible combinations, such as welfare and EI but not earnings, produced breakdowns too small to be used.

Figure 6.1 shows the distributions for poor couples under 65 with children under 18 in 1980 and 1998.⁷ The three slices of the pies that included earnings (that is, earnings only, earnings and welfare, and earnings and EI) added up to 84 percent in 1980 but only 76 percent in 1998. Meanwhile, the slices that represented welfare only grew from six percent in 1980 to 14 percent in 1998.

The pattern is just as pronounced in the pies for single-parent mothers under 65 with children under 18 shown in Figure 6.2. The earnings-related slices added up to 54 percent in 1980 and 51 percent in 1998. The welfare-only slices were 33 percent in 1980 and 38 percent in 1998.

Similar patterns appear in Figure 6.3 and Figure 6.4 for unattached individuals under 65 and couples under 65 without children. For the unattached persons, the earnings-related slices shrank from 65 percent to 54 percent and the welfare-only slices grew from 13 percent to 28 percent. For the childless couples, the earnings-related slices shrank from 65 percent to 59 percent and the welfare-only slices grew from 15 percent to 18 percent.

Information is also available on the amounts of income received by primary source of income. Table 6.5 gives the total incomes and amounts of different types of incomes in 1998 for couples under 65 with children under 18 and single-parent mothers under 65 with children under 18. The

⁷ The graphs for 1980 in this series and the next use revised weights.

table separates families with earnings as their primary source of income from families with earnings and employment insurance, earnings and welfare, or welfare only as their primary sources of income.

Both earnings and employment insurance are taxable income, but the amounts are so low that most of the poor families in the table would not have paid income taxes. Some of the couples with earnings or earnings plus EI might have paid a token amount of income tax, but the rest of the couples and most of the single-parent families likely paid no income tax at all.

The information in Table 6.5 relates directly to the concerns of the National Council of Welfare about the “clawback” of federal child benefits by provincial and territorial governments under the new Canada Child Tax Benefit. When the new system came into effect on July 1, 1998, only Newfoundland and New Brunswick decided not to subtract the increase in federal benefits from families’ welfare income.⁸

⁸ For a description of the Canada Child Tax Benefit, an analysis of its impact, and a review of its many shortcomings, see the National Council of Welfare publication Child Benefits: Kids Are Still Hungry (Autumn 1998).

Figure 6.1: Primary Sources of Income for Poor Couples Under 65 with Children

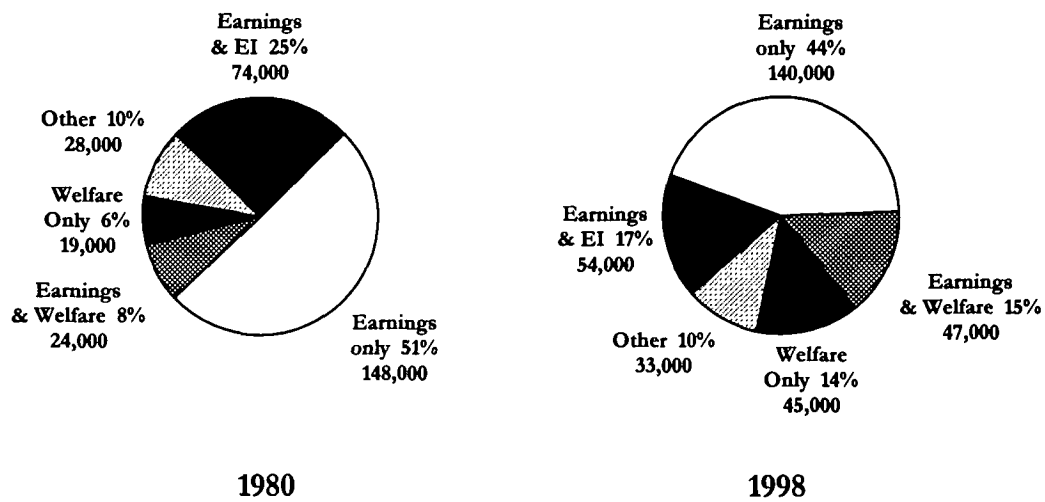


Figure 6.2: Primary Sources of Income for Poor Single-Parent Mothers Under 65

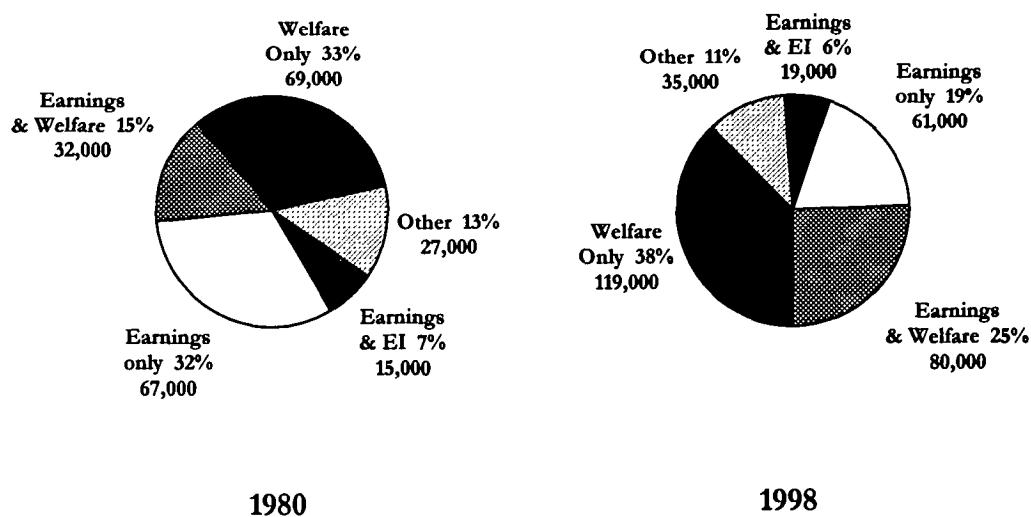


Figure 6.3: Primary Sources of Income for Poor Unattached Individuals Under 65

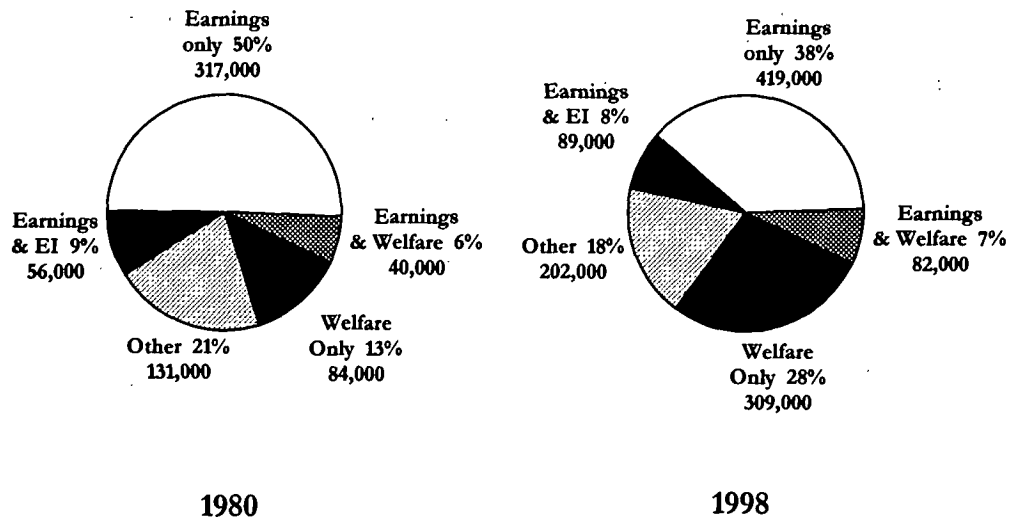
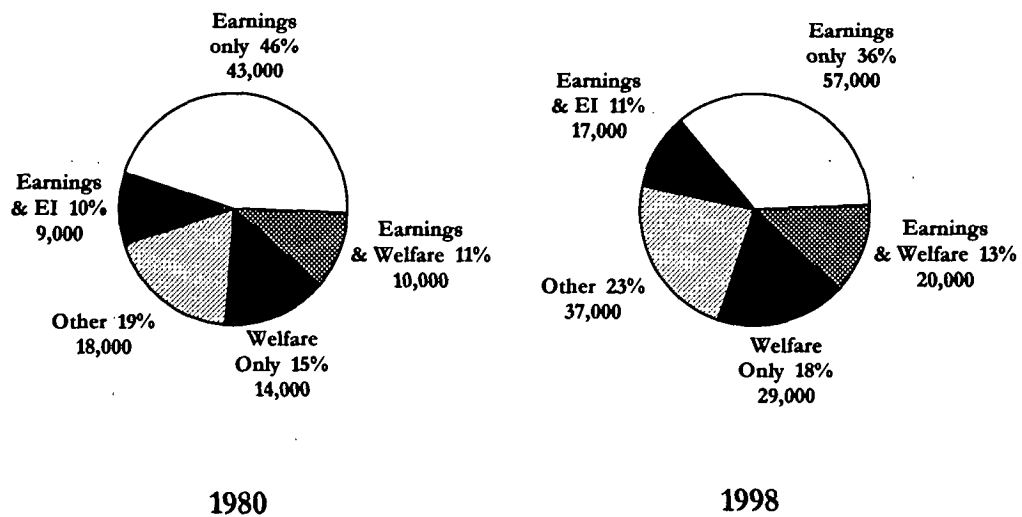


Figure 6.4: Primary Sources of Income for Poor Childless Couples Under 65



One of the striking features of the table is that families with welfare as their primary source of income had total average incomes several thousand dollars lower than poor families with earnings as their primary source of income. In other words, the poorest of poor families with children were also the families most likely to see their benefits clawed back.

TABLE 6.5: INCOMES OF POOR FAMILIES WITH CHILDREN
BY PRIMARY SOURCES OF INCOME, 1998

Primary Source(s) of Income	Couples under 65 with Children under 18	Single-Parent Mothers under 65 with Children under 18
EARNINGS		
Total Average Income	\$21,590	\$17,011
Average Earnings	\$14,707	\$10,638
Child Benefits	\$4,082	\$3,781
EARNINGS AND EMPLOYMENT INSURANCE		
Total Average Income	\$22,469	\$16,686
Average Earnings	\$13,444	\$9,416
Average EI	\$4,413	\$3,427
Child Benefits	\$3,560	\$3,138
EARNINGS AND WELFARE		
Total Average Income	\$23,429	\$17,390
Average Earnings	\$8,209	\$4,901
Average Welfare	\$9,144	\$7,299
Child Benefits	\$4,531	\$3,291
WELFARE		
Total Average Income	\$19,366	\$13,477
Average Welfare	\$12,267	\$8,937
Child Benefits	\$4,807	\$3,304

Families who have both earnings and welfare as primary sources of income also have some of their federal child benefits clawed back by provincial and territorial governments. One of the stated purposes of the Canada Child Tax Benefit is to encourage people on welfare to take jobs in the paid labour force. However, a family that receives earnings from a paid job, but also receives welfare income at some point in time loses its Canada Child Tax Benefit supplement. To take away the supplement when the family has taken steps to enter or remain in the labour force is contrary to the stated intention of the program.

TABLE 6.6: INCOMES OF POOR FAMILY TYPES UNDER 65 WITHOUT CHILDREN
BY PRIMARY SOURCES OF INCOME, 1998

Primary Source(s) of Income	Unattached Individuals under 65	Childless Couples under 65
EARNINGS		
Total Average Income	\$8,747	\$11,780
Average Earnings	\$7,615	\$8,413
EARNINGS AND EMPLOYMENT INSURANCE		
Total Average Income	\$11,365	\$15,015
Average Earnings	\$6,879	\$8,920
Average EI	\$3,746	\$4,502
EARNINGS AND WELFARE		
Total Average Income	\$8,560	\$14,914
Average Earnings	\$4,254	\$4,964
Average Welfare	\$3,552	\$7,042
WELFARE		
Total Average Income	\$7,612	\$12,673
Average Welfare	\$6,785	\$10,528

Table 6.6 shows similar income data for poor unattached people under 65 and poor couples under 65 without children. Poor people in these two family types do not receive federal child benefits, so the table shows total average income, average earnings, average EI benefits and average welfare benefits only. The poor unattached people or childless couples would have paid little or no income tax in 1998 because their incomes were so small.

For all types of families, families with earnings and EI as their primary sources of income in 1998 have the highest average income. The poorest of the poor, that is, those families with the average lowest incomes, are families with welfare as their primary source of income except for childless couples. The poorest childless couples have earnings as their primary source of income.

VII. A CLOSER LOOK AT GROUPS OF SPECIAL INTEREST

THE LOW-WAGE POOR

The low-wage poor or “working poor” are poor people who are normally in the labour force. Some researchers reserve the term for poor people who have full-time jobs for virtually the entire year. Others include poor people who have strong ties to the labour market regardless of the number of weeks worked or the normal hours of work each week.

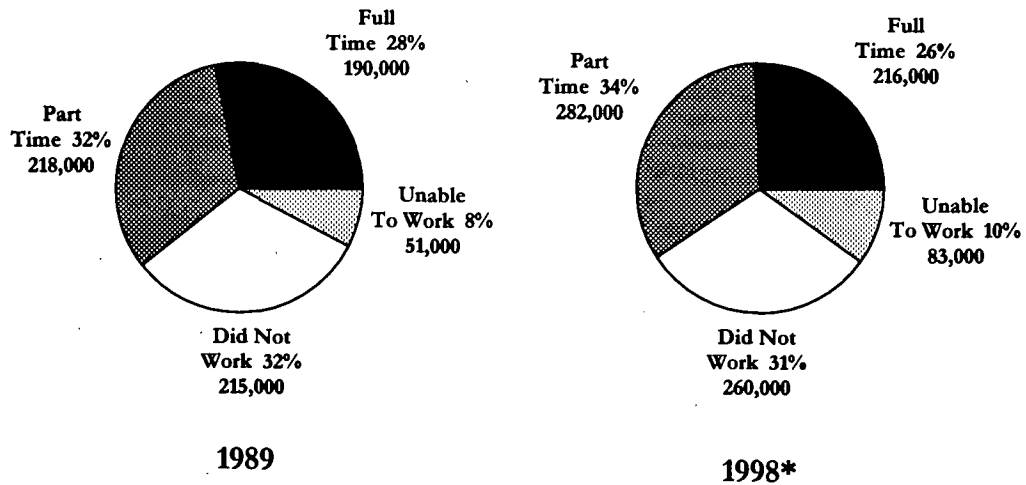
Figure 7.1 and Figure 7.2 show the distribution of poor heads of families and poor unattached individuals by their work activity in 1989 and 1998. Statistics Canada split the data for these graphs into four broad categories: people who worked full time, people who worked part time, people who were permanently unable to work because of a disability or poor health, and people who were able to work but did not.⁹ Full time means the person worked at least 49 weeks during the year and the normal work week was 30 hours or more. Part time means the person worked either less than 49 weeks or less than 30 hours a week or both.

In 1989, there were a total of 674,000 poor families with heads under 65, as shown in the left-hand portion of Figure 7.1. Twenty-eight percent of the poor family heads worked full time, 32 percent worked part time, 32 percent did not work at all, and the remaining eight percent were unable to work. The number of poor families was up to 981,000 in 1998, and there was a slight shift away from full-time work to part-time work or no work at all.

The patterns are slightly different for the poor unattached individuals shown in Figure 7.2. In 1989, 17 percent worked full time, 43 percent worked part time, 29 percent did not work and 11 percent were unable to work. In 1998, the group unable to work was up the most while the other groups were all down by four percentage points.

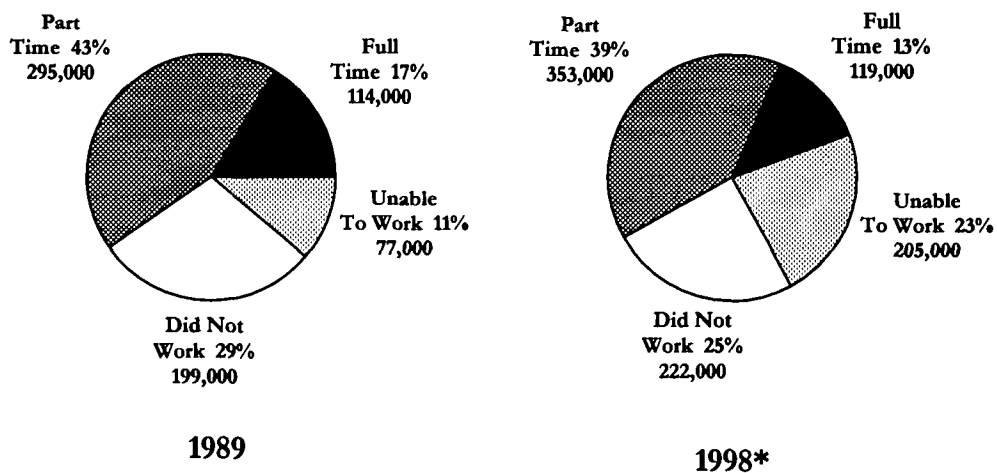
⁹ The 1998 data from the Survey of Labour and Income Dynamics includes a fifth category for “full-time/part-time status unknown.”

**Figure 7.1: Work Activity by
Family Major Income Earners Under 65**



*Excludes 140,000 families for whom full-time/part-time status of major income earner was unknown.

**Figure 7.2: Work Activity by
Unattached Individuals Under 65**



*Excludes 207,000 unattached individuals for whom full-time/part-time status was unknown.

Another way to define the low-wage poor is families and unattached individuals living below the poverty line who get at least half of their total income from employment. This definition puts aside the distinction between full-time and part-time work and focuses on poor people who spend a substantial part of the year in paid jobs.

Using this definition, Statistics Canada identified a total of 403,000 families with heads under 65 and 500,000 unattached individuals under 65 who made up the low-wage poor in 1998. Table 7.1 gives the details for the five main family types under 65. For the purposes of Table 7.1, Statistics Canada excluded people who were permanently unable to work, the group described as the “unable to work” group in the previous graphs.

Earnings were the most important source of income for a sizable portion of four of the five family types shown. Fifty-six percent of the poor unattached men under 65, 55 percent of the poor unattached women, 50 percent of the poor couples without children and 60 percent of the poor couples with children were working poor. The exception to the rule was single-parent mothers. Only 25 percent of the poor single-parent mothers under 65 with children under 18 got half or more of their total income from earnings.

The lower part of Table 7.1 shows the average incomes of the low-wage poor. Average earnings for unattached men and women, for example, were the equivalent of 33 weeks of work at \$6 an hour for 40 hours a week. Average earnings for families were substantially higher, especially for couples with children, suggesting that family heads either received higher wage rates or had a second wage-earner in the family.

The importance of earnings to the low-wage poor is also shown in the lower part of Table 7.1. Although the figures were limited to poor people with earnings that amounted to at least half of their total income, the last row of the table shows that a much larger portion of total income typically came from earnings. Unattached men and women received almost 90 percent of their total income from earnings. Families received around three-quarters of their average income from earnings, ranging from 70 percent for single-parent mothers to 77 percent for childless couples.

TABLE 7.1: POOR FAMILIES AND UNATTACHED INDIVIDUALS UNDER 65
WITH EARNINGS EQUAL TO 50 PERCENT OR MORE OF TOTAL INCOME, 1998

	Unattached Men	Unattached Women	Childless Couples	Couples with Children	Single-Parent Mothers
Total Number of Poor Families or Unattached People*	460,000	443,000	135,000	304,000	297,000
Number with Earnings of 50 Percent or More of Total Income	257,000	243,000	68,000	182,000	73,000
Percentage with Earnings of 50 Percent or More of Total Income	56%	55%	50%	60%	25%
Average Annual Earnings	\$7,788	\$8,014	\$9,277	\$15,881	\$12,404
Average Income from Sources Other than Earnings	\$1,214	\$1,023	\$2,810	\$6,582	\$5,206
Average Total Income	\$9,002	\$9,037	\$12,087	\$22,463	\$17,610
Earnings as a Percentage of Total Income	87%	89%	77%	71%	70%

* The table excludes people 65 and older and people permanently unable to work.

This suggests that few low-wage poor families or unattached people relied very much on welfare or employment insurance, since the average amounts of income aside from earnings were small. Probably most of the other income came from programs such as the federal GST credit or federal Child Tax Benefit.

In recent years, the number of working poor families and unattached individuals under 65 has been growing, but not as fast as the number of poor people who are able to work. Between 1989 and 1998, for example, the number of poor couples under 65 with children less than 18 rose by 27 percent, from 239,000 families to 304,000 families. The number of working poor couples with children rose only 20 percent, from 152,000 families to 182,000 families.

CHILDREN

Child poverty rates are a reflection of parental poverty rates and tend to rise or fall as economic conditions deteriorate or improve. The most striking difference year after year is the huge gulf between the poverty rates for children in two-parent families and the rates for children of single-parent mothers. There are also important differences from province to province.

Table 7.2 gives the 1998 poverty rates and the number of children living in poverty by family type and province. The category "poor children in all family types" includes a small number of children who do not fall into either of the two main family types listed. The national total of 1,327,000 poor children, for example, included 113,000 poor children under 18 living in less common family circumstances. Some of them lived with single-parent fathers under 65, parents who were 65 or older, or relatives other than parents.

The national poverty rate for children fell from 20.3 percent in 1997 to 18.8 percent in 1998, and the number of poor children fell from 1,439,000 to 1,327,000. The lowest provincial child poverty rate in 1998 was 11.1 percent in Prince Edward Island, and the highest was 24.5 percent in Newfoundland.

Between 1997 and 1998, the poverty rates for children fell in every province except Newfoundland. In Newfoundland, the child poverty rate rose from 23.6 percent in 1997 to 24.5 percent in 1998.

The national poverty rate for poor children in two-parent families was 11.7 percent in 1998, and provincial rates ranged from a low of 7.3 percent in Nova Scotia to a high of 17.7 percent in Newfoundland. The poverty rates for children of single-parent mothers were abysmally high. The national rate was 57.1 percent, and the range was from 44.7 percent in Alberta to 77.2 percent in Nova Scotia.

TABLE 7.2: CHILDREN UNDER 18 LIVING IN POVERTY, 1998

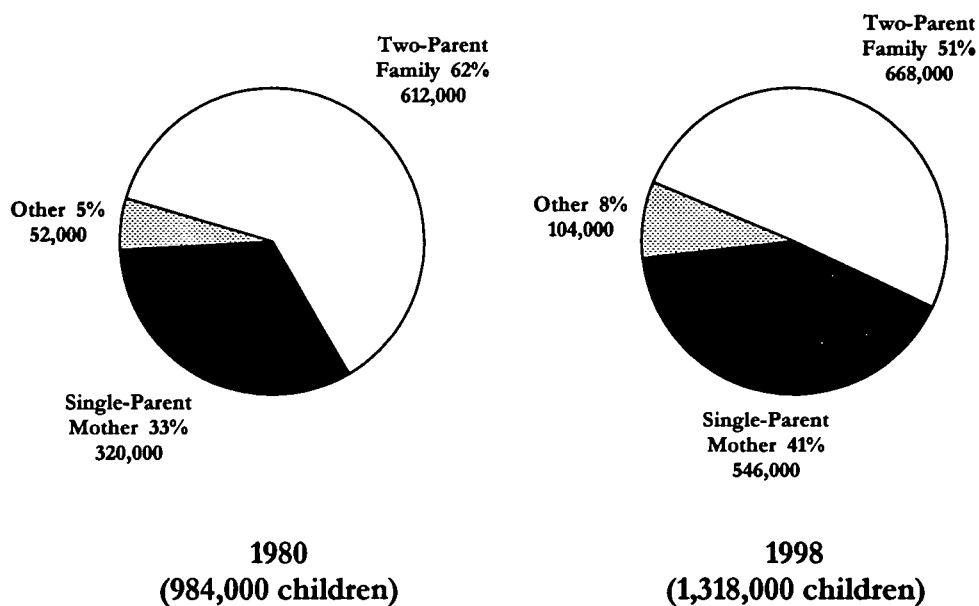
	Poor Children in All Family Types		Poor Children of Two-Parent Families under 65		Poor Children of Single-Parent Mothers under 65	
	Number of Children	Poverty Rate	Number of Children	Poverty Rate	Number of Children	Poverty Rate
Newfoundland	30,000	24.5%	18,000	17.7%	11,000	74.5%
Prince Edward Island	4,000	11.1%	sample too small		2,000	46.4%
Nova Scotia	40,000	19.2%	12,000	7.3%	23,000	77.2%
New Brunswick	29,000	17.0%	12,000	8.8%	15,000	60.6%
Quebec	393,000	24.0%	206,000	15.7%	148,000	61.8%
Ontario	463,000	17.1%	222,000	10.1%	204,000	57.6%
Manitoba	63,000	23.2%	35,000	15.9%	20,000	66.8%
Saskatchewan	48,000	18.7%	24,000	12.1%	23,000	46.8%
Alberta	123,000	16.3%	71,000	11.5%	38,000	44.7%
British Columbia	133,000	15.0%	65,000	9.0%	62,000	49.7%
Canada	1,327,000	18.8%	668,000	11.7%	546,000	57.1%

Although we saw slight improvements of child poverty rates between 1997 and 1998, the number of children living in poverty remains unacceptably high. The number of poor children in Canada increased by 42 percent between pre-recession 1989 and 1998. Ontario had, by far, the largest increase in poor children over this time period. The number of poor children in that province almost doubled from 254,000 in 1989 to 463,000 in 1998.

One of the long-standing myths about child poverty is that most poor children live in single-parent households. Table 7.2 shows that this is not the case. In 1998, 668,000 poor children lived in two-parent families under 65, while 546,000 poor children lived in single-parent families headed by women under 65. In every province, there are more poor children living in two-parent families than in single-parent mother families.

Nonetheless, the proportion of poor children living with single-parent mothers has grown substantially in recent years. As Figure 7.3 shows, 33 percent of all poor children in 1980 lived in families headed by single-parent mothers, and most of the rest lived in two-parent families. In 1998, the percentage of poor children with single-parent mothers was up to 41 percent and the percentage living with both parents was down to 51 percent.

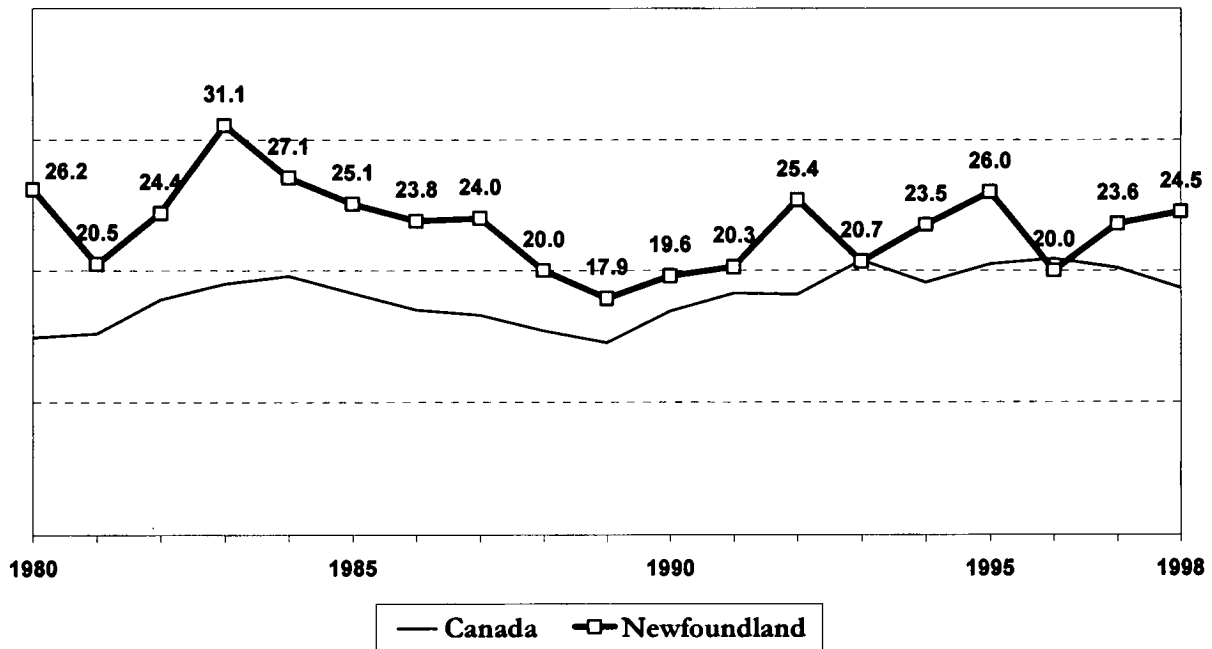
**Figure 7.3: Poor Children by Family Type,
1980 and 1998**



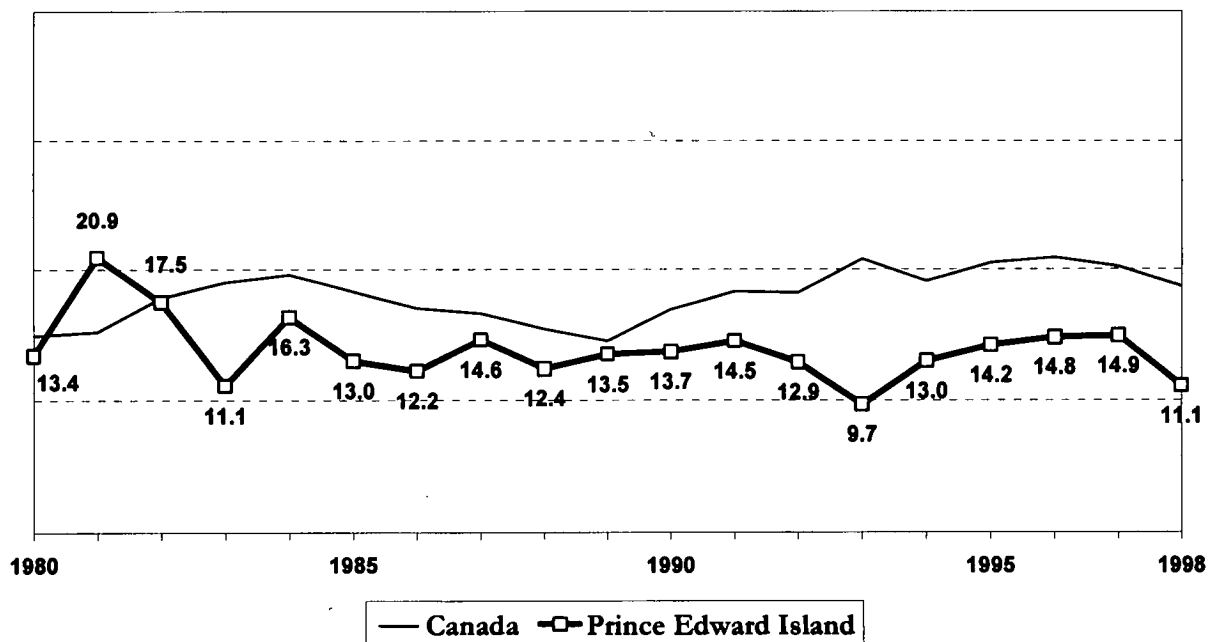
Provincial trends in child poverty are shown in the Figures 7.4 to 7.13 on the following five pages. Each graph gives overall child poverty rates from 1980 through 1998. For purposes of comparison, each graph also contains a line without percentages that shows the national child poverty rate.

Prince Edward Island and Ontario had child poverty rates that were below average for most of the period. Newfoundland, Quebec and Manitoba were generally higher than average. Rates in Nova Scotia, New Brunswick, Saskatchewan, Alberta and British Columbia have moved above and below the national average over time.

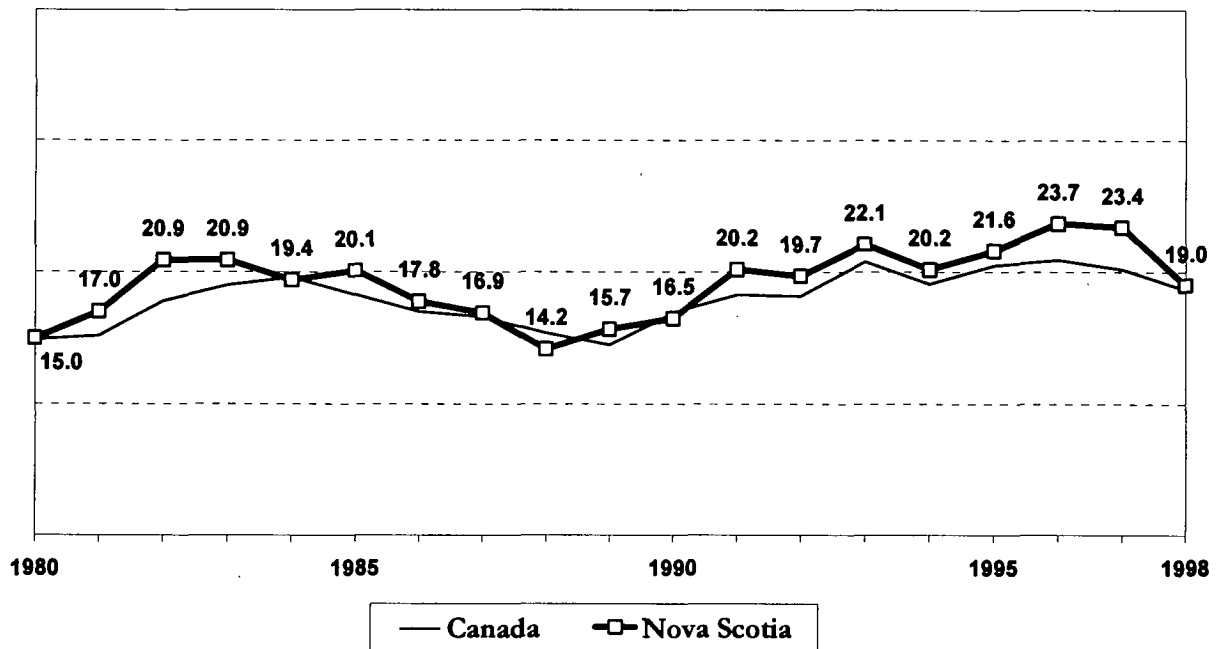
**Figure 7.4: Newfoundland
Percent of Children in Poverty**



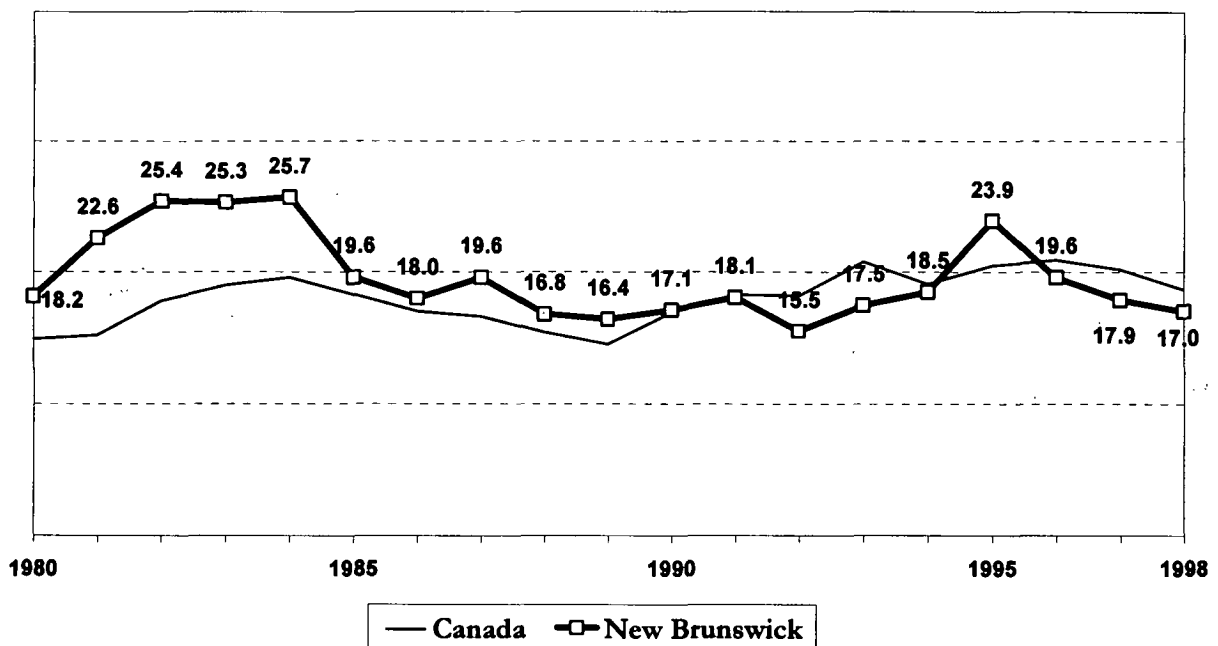
**Figure 7.5: Prince Edward Island
Percent of Children in Poverty**



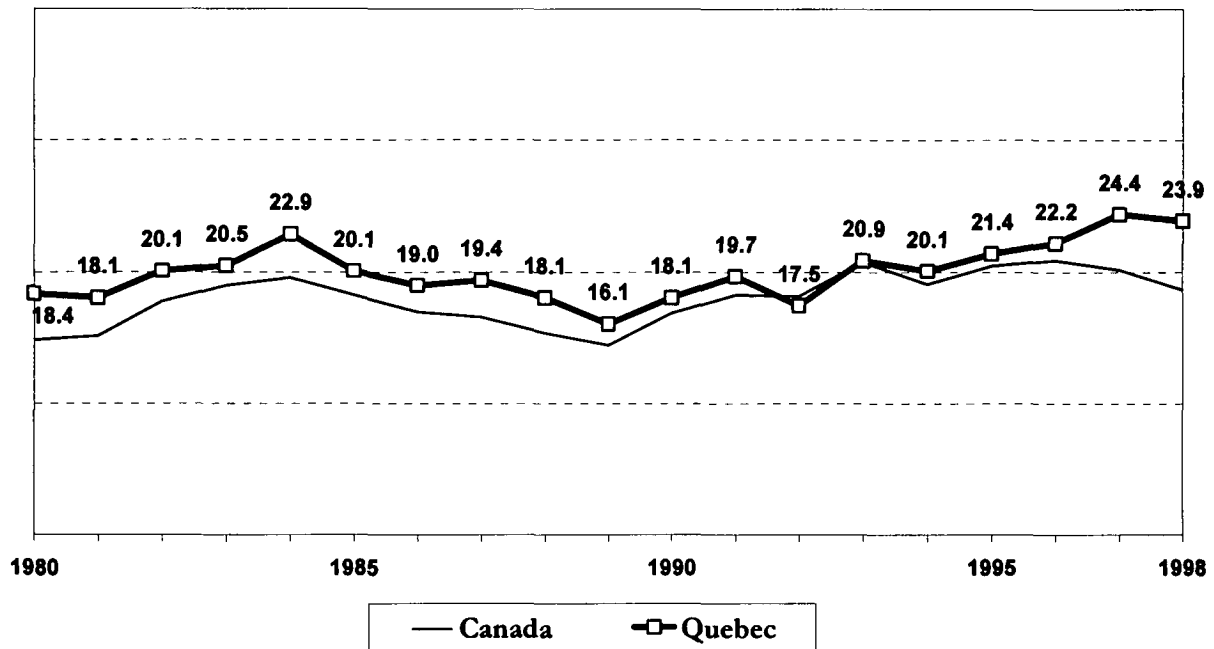
**Figure 7.6: Nova Scotia
Percent of Children in Poverty**



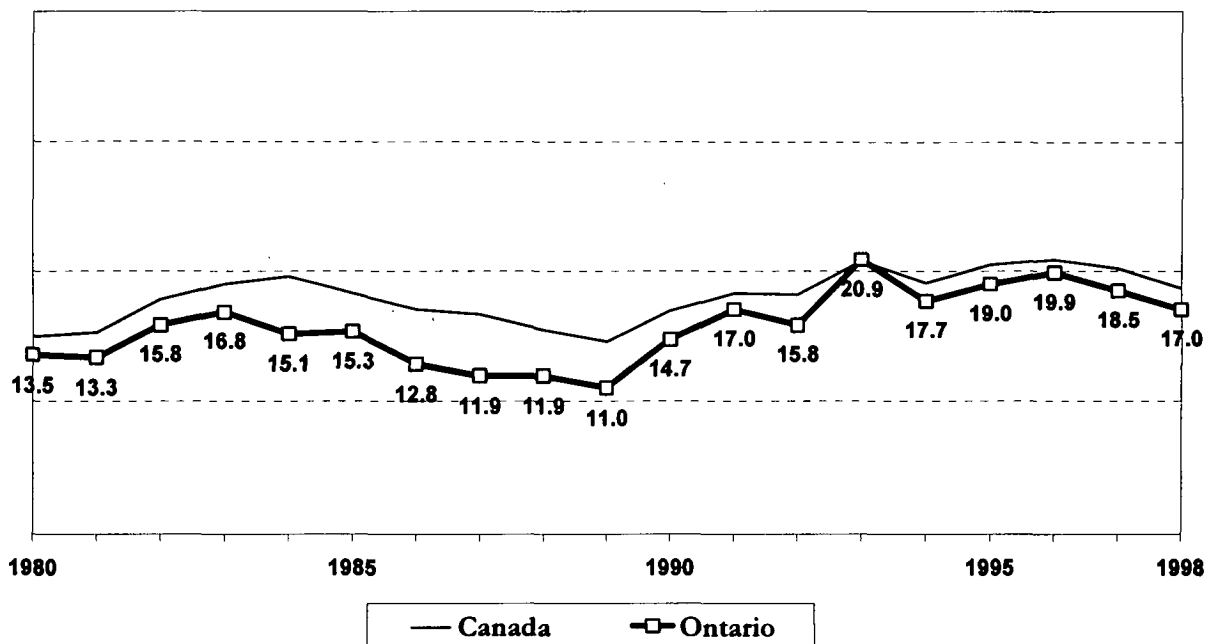
**Figure 7.7: New Brunswick
Percent of Children in Poverty**



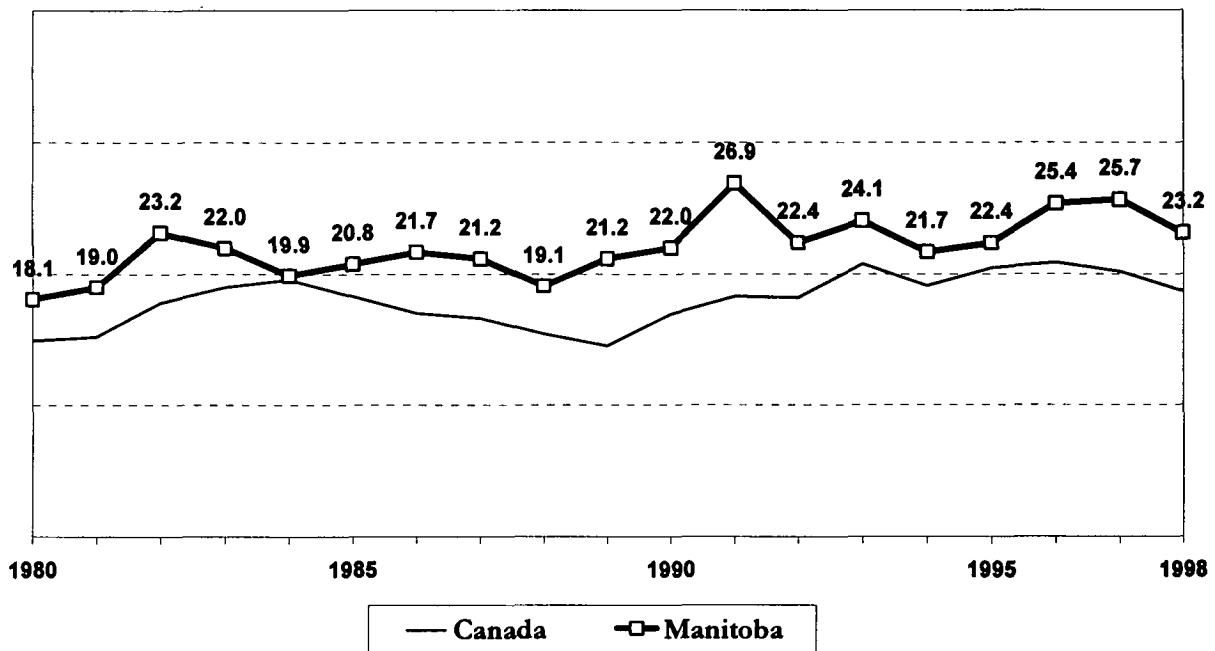
**Figure 7.8: Quebec
Percent of Children in Poverty**



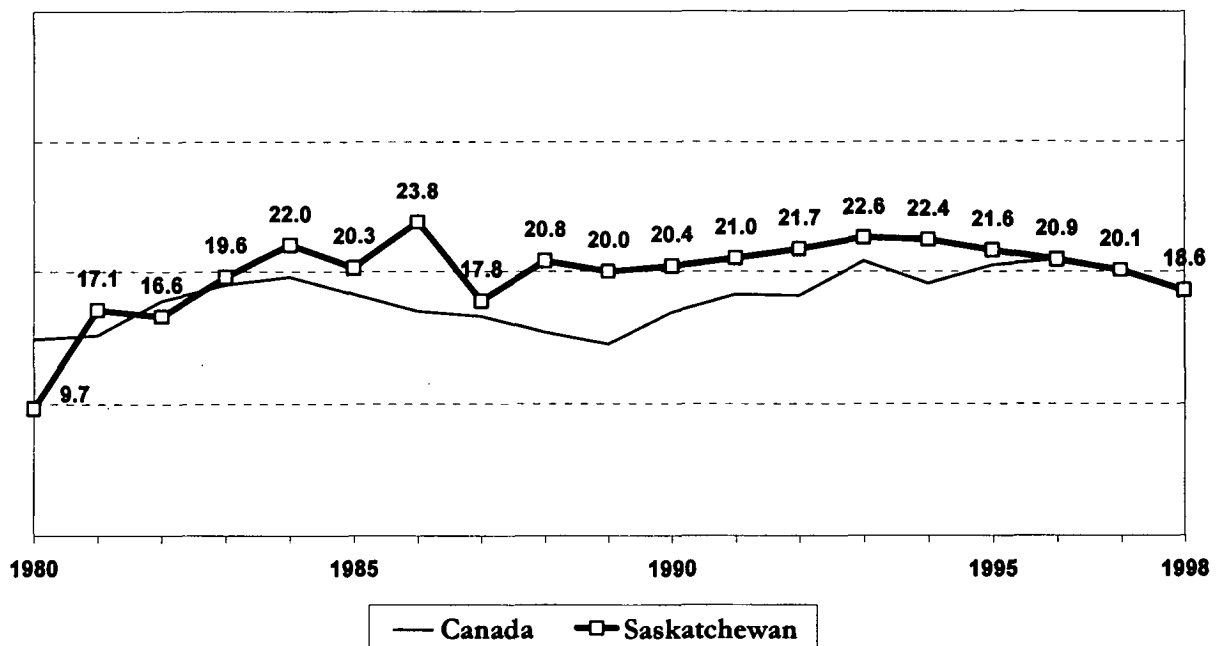
**Figure 7.9: Ontario
Percent of Children in Poverty**



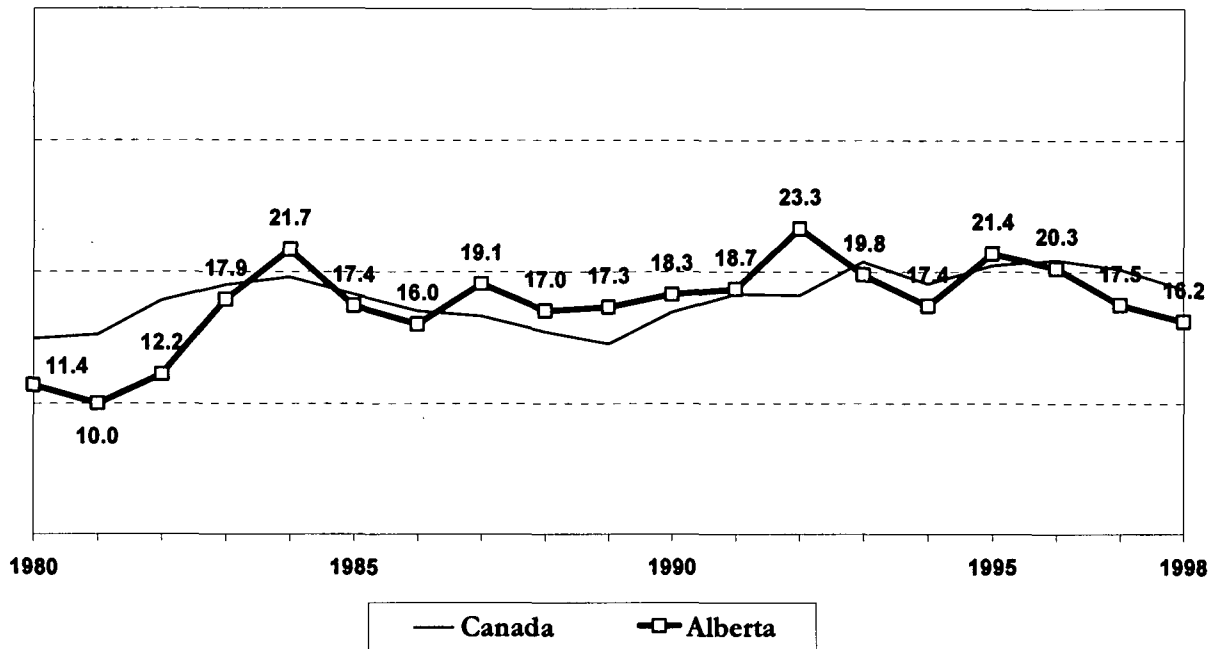
**Figure 7.10: Manitoba
Percent of Children in Poverty**



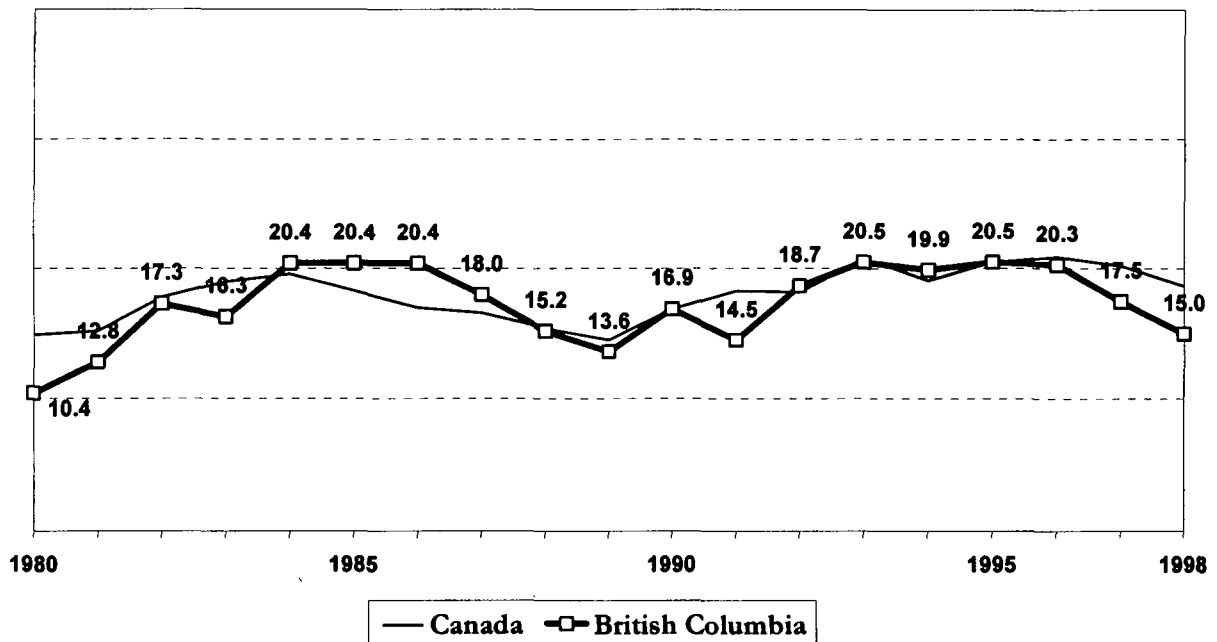
**Figure 7.11: Saskatchewan
Percent of Children in Poverty**



**Figure 7.12: Alberta
Percent of Children in Poverty**



**Figure 7.13: British Columbia
Percent of Children in Poverty**



WOMEN

As we showed in Chapter 4, women face a significantly higher risk of poverty than men. Table 7.3 gives the poverty rates for women and men age 18 and older for the years 1980 to 1998, and the ratio of female to male poverty rates each year.

In 1980, the poverty rate for adult women was 18 percent, the rate for adult men was 12.7 percent, and the rate for women was 1.42 times the rate for men. In 1998, the poverty rate for women was 17.6 percent, the rate for men was 13.5 percent and the ratio between the sexes was 1.30.

The year-to-year poverty rates for women and men tend to follow the ups and downs in the economy. The gap between the sexes appears to narrow slightly in tough economic times, but the changes in the ratio are small.

Most of the differences between the sexes can be explained by the high poverty rates of three family types: unattached women under 65, unattached women 65 and older, and single-parent mothers under 65 with children under 18. The 1998 poverty rate for unattached women under 65 was 41.9 percent, compared to 31.6 percent for unattached men under 65. For unattached seniors, the poverty rates were 39.4 percent for women and 28.9 percent for men. Single-parent families led by women with children under 18 had a poverty rate of 54.2 percent in 1998, a rate many times higher than the rates for married couples.

Aside from these three high-risk groups of women, there were no significant differences in the poverty rates for adult women and men. The vast majority of families are husband-wife families, and the poverty rates for husbands and wives are identical in all these cases.

TABLE 7.3: TRENDS IN POVERTY AMONG WOMEN AND MEN 18 AND OLDER

	Women		Men		Ratio of Female to Male Poverty Rates
	Poverty Rate	Number of Poor	Poverty Rate	Number of Poor	
1980	18.0%	1,565,000	12.7%	1,058,000	1.42
1981	17.8%	1,567,000	12.6%	1,063,000	1.40
1982	18.1%	1,624,000	13.6%	1,160,000	1.33
1983	20.1%	1,836,000	15.4%	1,334,000	1.30
1984	19.7%	1,817,000	14.9%	1,304,000	1.31
1985	18.8%	1,754,000	14.0%	1,240,000	1.34
1986	17.7%	1,677,000	13.4%	1,197,000	1.31
1987	17.4%	1,673,000	12.9%	1,176,000	1.34
1988	17.1%	1,664,000	11.7%	1,081,000	1.46
1989	15.5%	1,534,000	10.7%	1,001,000	1.45
1990	16.2%	1,622,000	11.3%	1,079,000	1.43
1991	17.3%	1,767,000	12.7%	1,234,000	1.36
1992	17.4%	1,804,000	13.1%	1,289,000	1.33
1993	18.5%	1,949,000	13.9%	1,398,000	1.33
1994	18.1%	2,011,000	13.4%	1,434,000	1.35
1995	18.2%	2,059,000	14.3%	1,556,000	1.27
1996	18.8%	2,143,000	14.1%	1,555,000	1.33
1997	19.1%	2,207,000	14.9%	1,654,000	1.28
1998	17.6%	2,065,000	13.5%	1,518,000	1.30

In younger husband-wife families, one fact that deserves special mention is the role of women's earnings keeping their families out of poverty. Although women earn less on average than men and face a number of barriers to equal participation in the labour force, their contribution is essential in keeping family poverty rates relatively low.

To get a better idea of the importance of the earnings of married women, in previous reports we have asked Statistics Canada to subtract the earnings of the wives from the total income of husband-wife families and calculate hypothetical poverty rates for families with the wives' earnings removed.

We were unable to do that calculation for this year's report. However, in previous years we found that the number of families living in poverty would have doubled without the wives' earnings.

SENIORS

Fighting poverty among seniors has been one of Canada's biggest success stories in social policy during the latter part of the 20th century. Poverty rates for people 65 and older have fallen dramatically over the years and continue to fall more or less steadily.

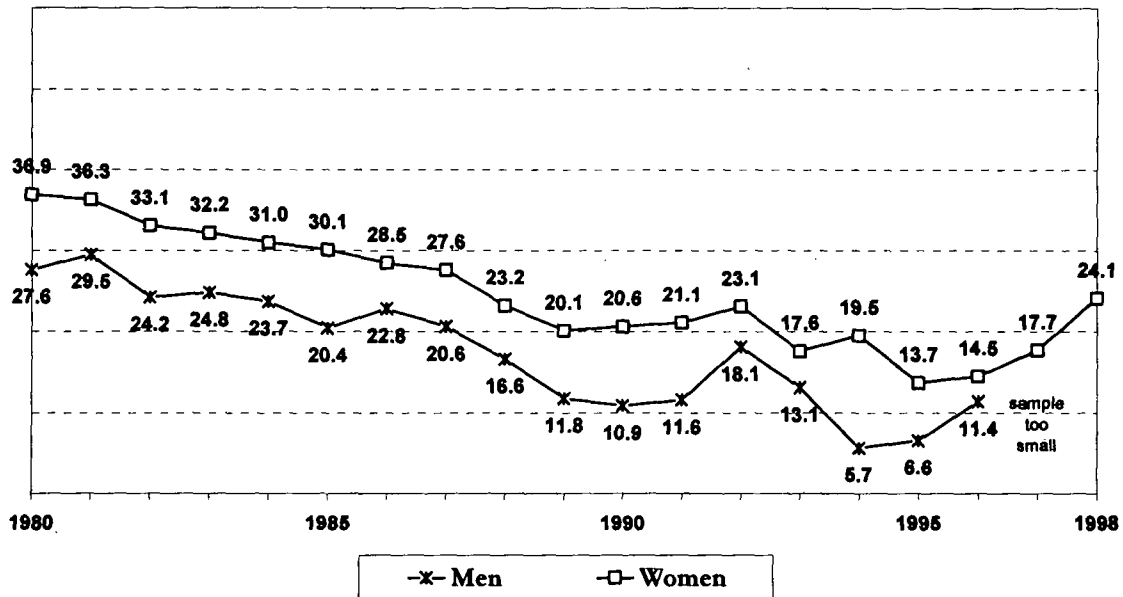
In 1998, the poverty rate for women 65 and older fell to an all-time low of 21.7 percent. That pushed the overall poverty rate for seniors down to a near-record low of 17.5 percent. The record-low for senior men and women combined was 16.9 percent in 1995.

Ontario had a record-low poverty rate for seniors of 12.5 percent in 1998. British Columbia had a record low rate for senior women of 20 percent.

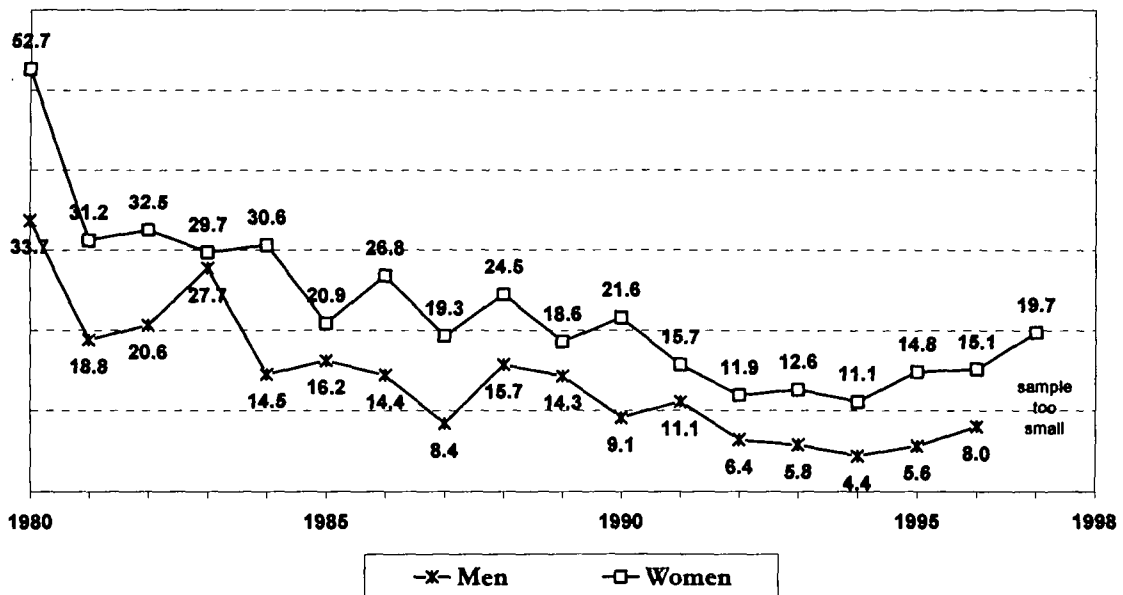
On the other hand, poverty rates for both women and men 65 and over were up in 1998 in Quebec and Saskatchewan. Poverty rates for senior women increased in Newfoundland and Alberta.

In all provinces, the poverty rates for senior men remain well below the rates for senior women. Details of the rates for women and men in all provinces from 1980 through 1998 are shown in Figures 7.14 to 7.23.

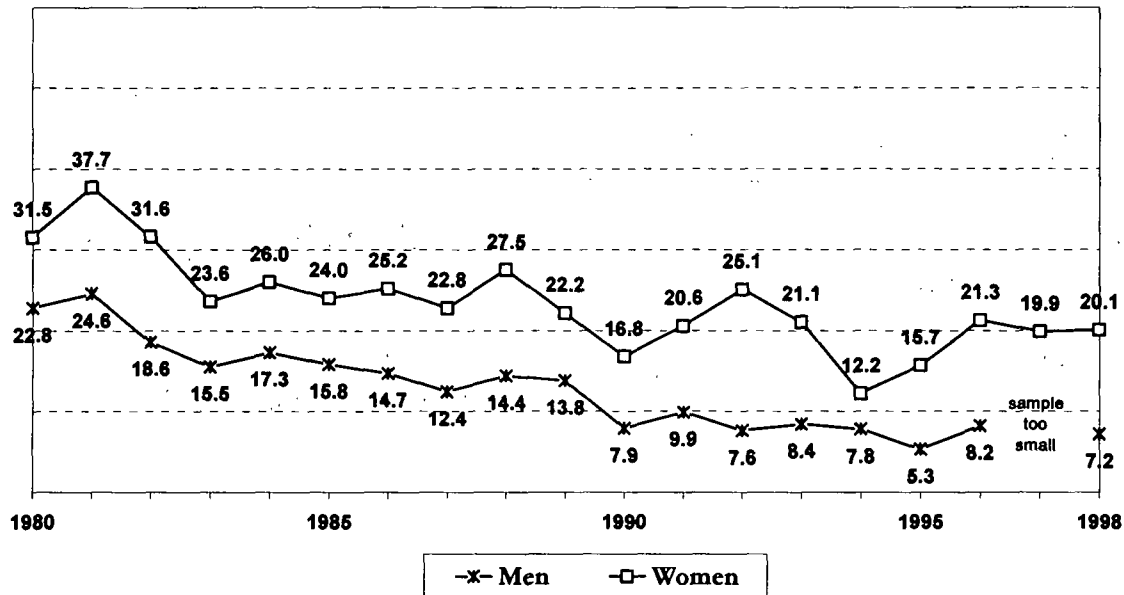
**Figure 7.14: Newfoundland
Percent of Seniors in Poverty**



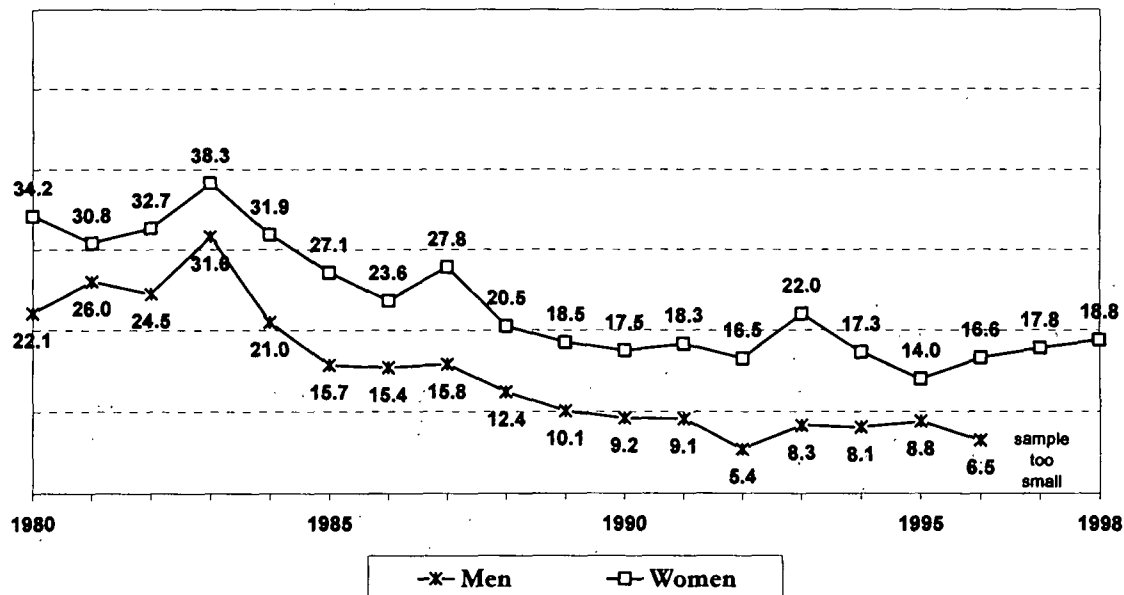
**Figure 7.15: Prince Edward Island
Percent of Seniors in Poverty**



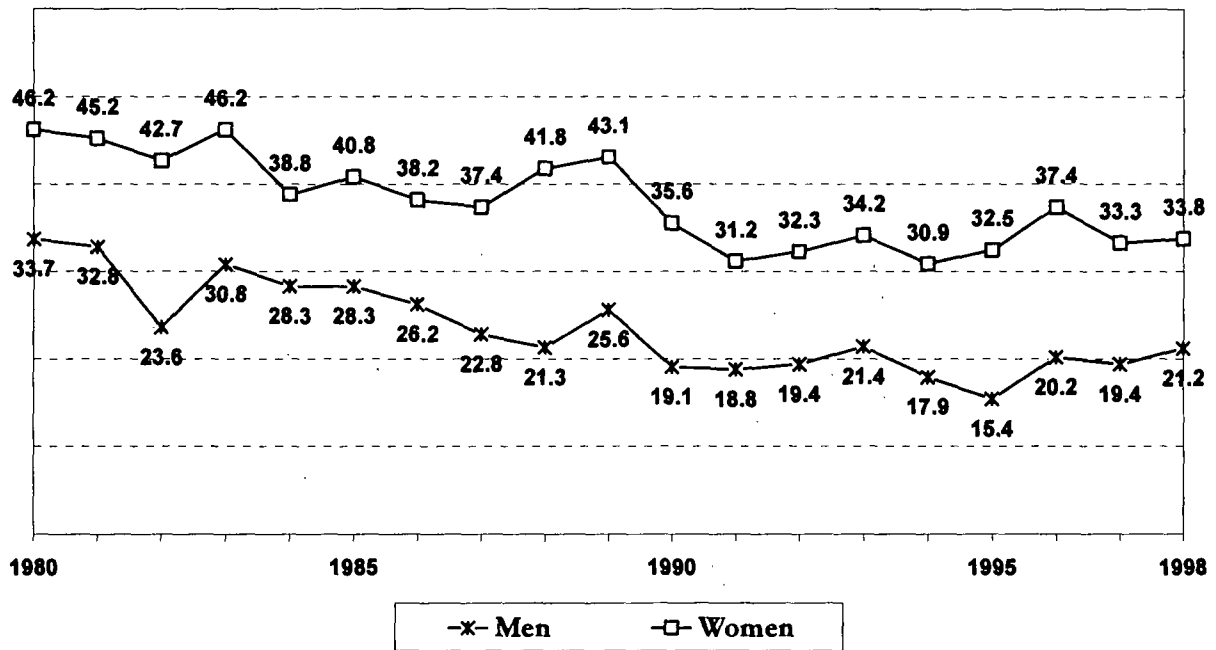
**Figure 7.16: Nova Scotia
Percent of Seniors in Poverty**



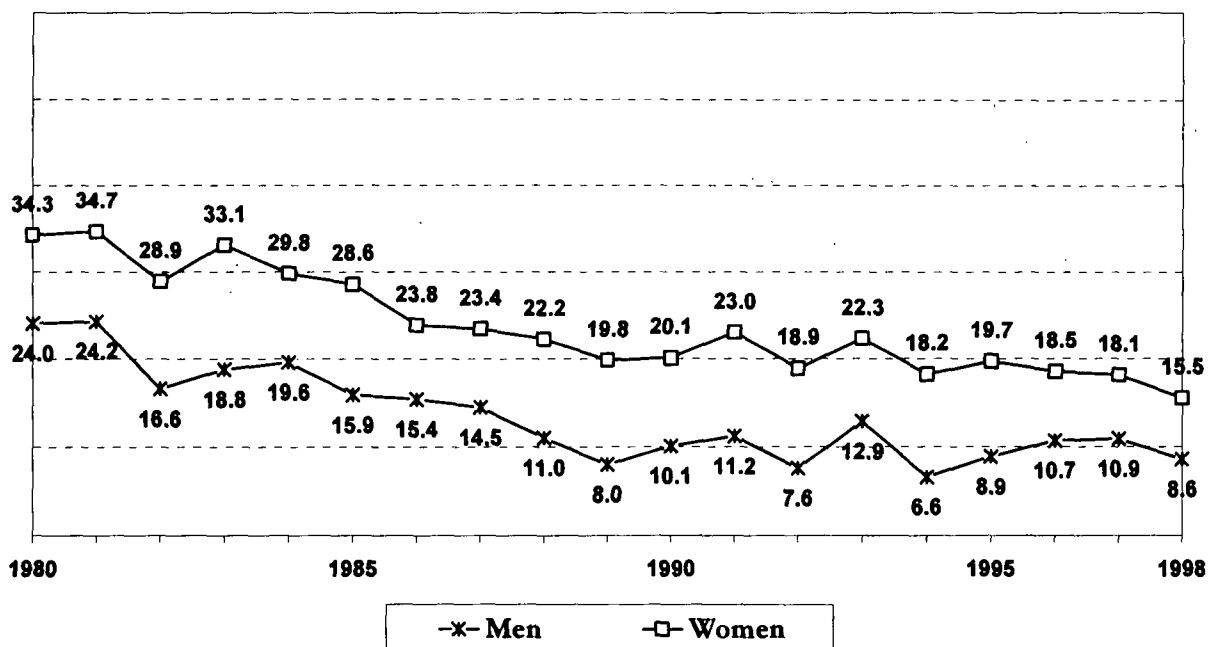
**Figure 7.17: New Brunswick
Percent of Seniors in Poverty**



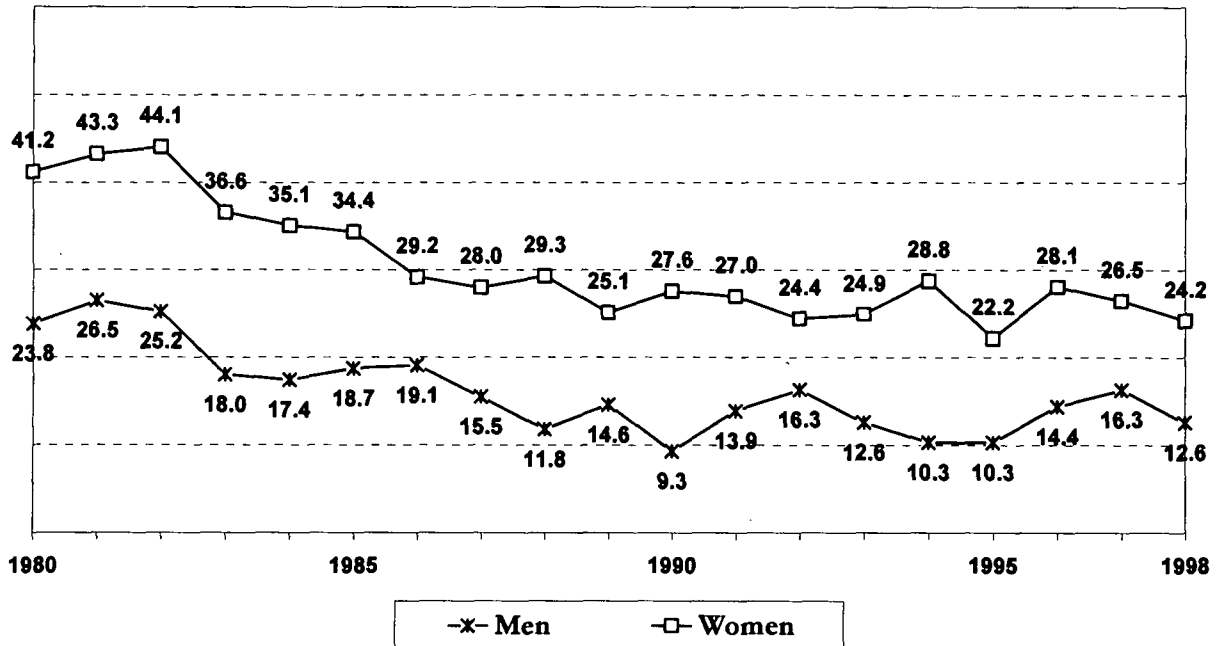
**Figure 7.18: Quebec
Percent of Seniors in Poverty**



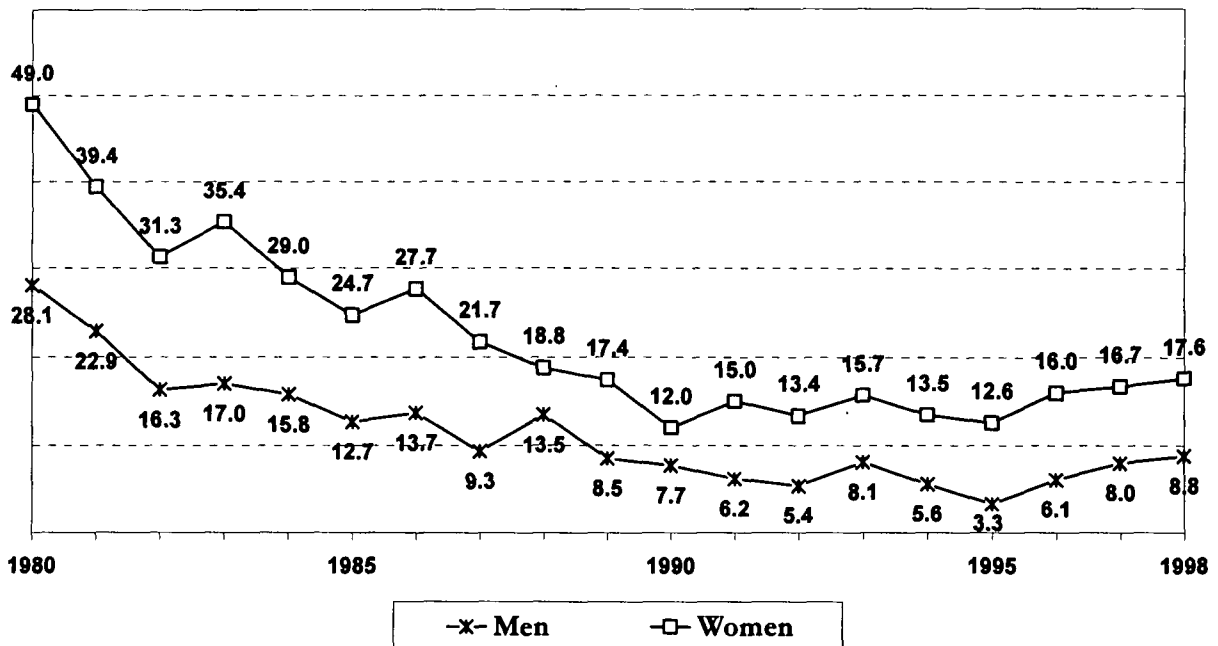
**Figure 7.19: Ontario
Percent of Seniors in Poverty**



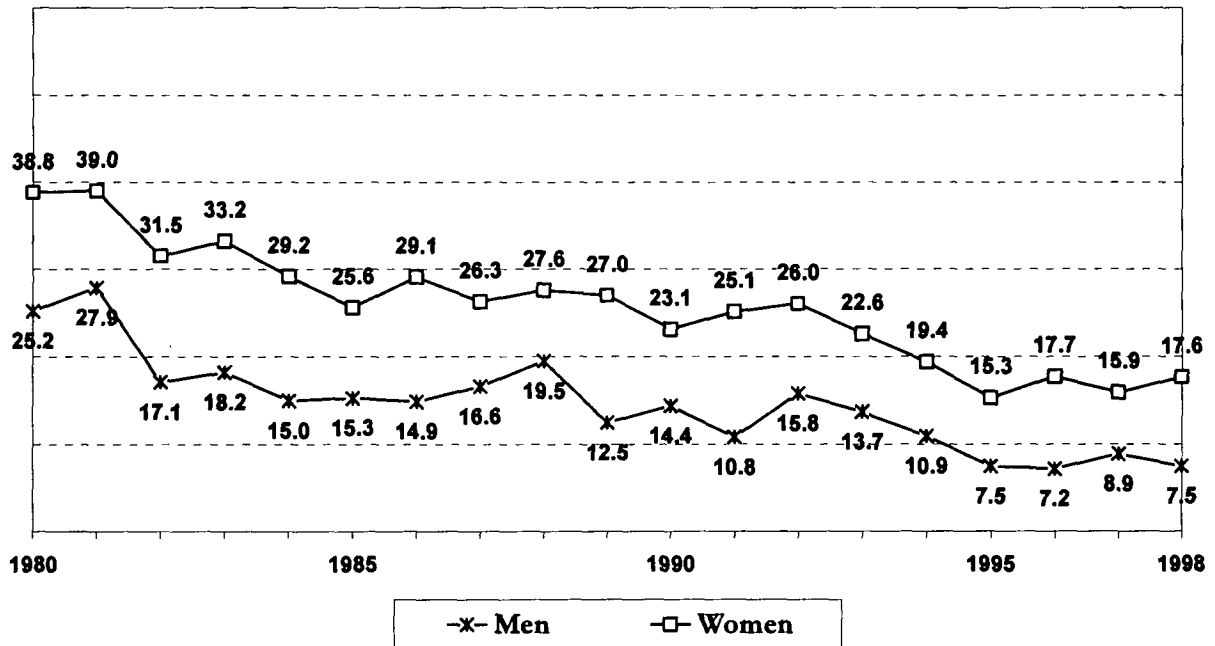
**Figure 7.20: Manitoba
Percent of Seniors in Poverty**



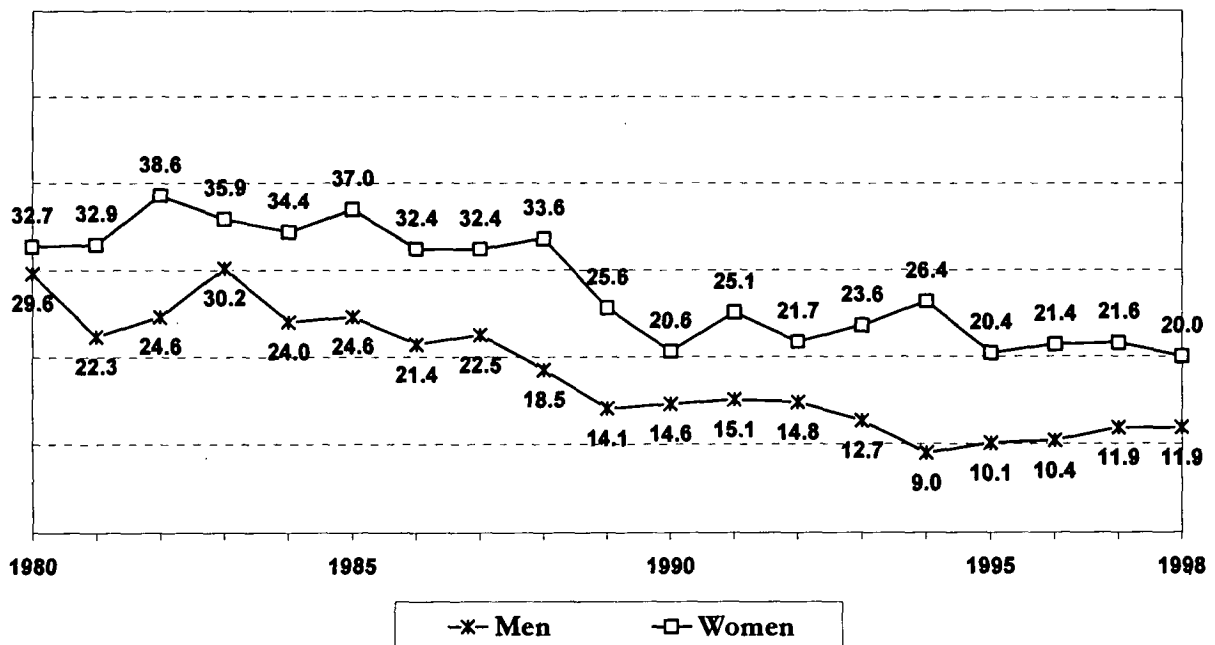
**Figure 7.21: Saskatchewan
Percent of Seniors in Poverty**



**Figure 7.22: Alberta
Percent of Seniors in Poverty**



**Figure 7.23: British Columbia
Percent of Seniors in Poverty**



CONCLUSION

The National Council of Welfare is hopeful that the small improvements in poverty rates observed in 1998 are the start of a continued downward trend. However, we are wary of being optimistic. The current wave of economic prosperity has more often failed the poor than carried them out of poverty. The number of poor people and the poverty rate is still substantially higher than it was before the start of the last recession. Almost 400,000 more children lived in poverty in 1998 than in 1989. More people lived on less than 50 percent of the poverty line. More than 60 percent of unattached young people were poor.

A cause for optimism is the fact that seven in ten Canadians think that overall the governments in Canada are not doing enough to help poor people in this country.¹⁰ In the past year, we have seen protests against welfare cuts in Nova Scotia, anti-poverty protests at the Ontario legislature and the international March of Women demanding an end to poverty. Increasingly, people want to see all Canadians benefit from economic growth.

We now have more tools we can use to fight poverty. We are just starting to see the results of exciting new research into the dynamics of poverty. We now know that for some groups, poverty is more likely to last for a short period of time and that for some groups, poverty is more likely to persist year after year. This enhanced understanding will dispel many of the myths of poverty and can be used to design more effective and efficient policies.

The National Council of Welfare calls on the new federal government to seize the opportunity to make the fight against poverty a key element of their mandate. The government is in the enviable position of taking office in a time of economic prosperity, in a time of government surplus and in a time when there are increasing demands by Canadians for governments to do more to help poor people get out of poverty.

We can have happy endings to poverty stories in Canada. The success of seniors and poverty shows that political will can make a difference.

¹⁰ "Poverty in Canada" poll conducted by the Angus Reid Group/Globe and Mail/CTV in November 1999.

APPENDICES

NATIONAL COUNCIL OF WELFARE ESTIMATES OF STATISTICS CANADA'S LOW-INCOME CUT-OFFS (1986 BASE) FOR 1999*					
Family Size	Community Size				
	Cities of 500,000+	100,000- 499,999	30,000- 99,999	Less than 30,000	Rural Areas
1	\$16,774	\$14,734	\$14,393	\$13,122	\$11,419
2	\$22,737	\$19,972	\$19,510	\$17,784	\$15,481
3	\$28,902	\$25,388	\$24,799	\$22,606	\$19,675
4	\$33,278	\$29,226	\$28,553	\$26,030	\$22,654
5	\$36,357	\$31,933	\$31,195	\$28,438	\$24,753
6	\$39,466	\$34,660	\$33,861	\$30,867	\$26,868
7+	\$42,447	\$37,283	\$36,421	\$33,202	\$28,898

* Based on 1.7 percent inflation in 1999.

NATIONAL COUNCIL OF WELFARE ESTIMATES OF STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 2000*					
Family Size	Community Size				
	Cities of 500,000+	100,000- 499,999	30,000- 99,999	Less than 30,000	RuralAreas
1	\$17,060	\$14,985	\$14,638	\$13,345	\$11,613
2	\$23,123	\$20,312	\$19,842	\$18,086	\$15,744
3	\$29,393	\$25,819	\$25,221	\$22,990	\$20,010
4	\$33,844	\$29,722	\$29,038	\$26,472	\$23,039
5	\$36,975	\$32,476	\$31,726	\$28,921	\$25,173
6	\$40,137	\$35,249	\$34,437	\$31,391	\$27,325
7+	\$43,168	\$37,917	\$37,040	\$33,766	\$29,389

* Based on estimate of 1.7 percent inflation in 2000.

REGIONAL POVERTY STATISTICS, 1998								
	Atlantic		Quebec		Ontario		West	
	Number of Poor	Poverty Rate	Number of Poor	Poverty Rate	Number of Poor	Poverty Rate	Number of Poor	Poverty Rate
Single-Parent Mothers under 65 With Children under 18	32,000	66.4%	83,000	56.8%	112,000	52.1%	87,000	51.1%
Unattached Women under 65	45,000	54.0%	177,000	46.9%	149,000	34.8%	172,000	42.1%
Unattached Men under 65	39,000	36.5%	181,000	37.5%	171,000	29.0%	173,000	28.5%
Unattached Women 65 and Older	26,000	40.6%	129,000	55.9%	95,000	30.8%	87,000	34.3%
Unattached Men 65 and Older	Sample too small		33,000	38.8%	31,000	28.0%	28,000	25.1%
Couples under 65 With Children under 18	24,000	9.7%	102,000	14.1%	104,000	8.8%	90,000	9.8%
Childless Couples under 65	16,000	11.1%	66,000	13.3%	41,000	6.1%	36,000	6.7%
Couples 65 and Older	Sample too small		31,000	14.3%	15,000	4.6%	19,000	7.1%

DEPTH OF POVERTY IN DOLLARS BELOW POVERTY LINE AND PERCENTAGE OF POVERTY LINE, 1998								
	Atlantic		Quebec		Ontario		West	
	Dollar Gap	% of Line	Dollar Gap	% of Line	Dollar Gap	% of Line	Dollar Gap	% of Line
Single-Parent Mothers under 65 With Children under 18	\$7,930	64%	\$10,051	60%	\$9,363	63%	\$8,754	64%
Unattached Women under 65	\$5,998	57%	\$7,551	51%	\$7,000	54%	\$6,813	55%
Unattached Men under 65	\$6,266	54%	\$6,959	55%	\$6,681	55%	\$6,883	55%
Unattached Women 65 and Older	\$1,679	88%	\$2,997	81%	\$2,205	86%	\$2,233	86%
Unattached Men 65 and Older	\$1,663	88%	\$2,428	85%	\$3,118	80%	\$3,150	80%
Couples under 65 With Children under 18	\$8,351	68%	\$8,702	72%	\$9,238	70%	\$8,421	72%
Childless Couples under 65	\$7,189	59%	\$7,101	66%	\$5,959	71%	\$8,654	56%
Couples 65 and Older	\$3,523	82%	\$3,973	82%	\$3,649	83%	\$2,540	88%

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The National Council of Welfare was established by the Government Organization Act, 1969, as a citizens' advisory body to the federal government. It advises the Minister of Human Resources Development on matters of concern to low-income Canadians.

The Council consists of members drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council has included past and present welfare recipients, public housing tenants and other low-income people, as well as educators, social workers and people involved in voluntary or charitable organizations.

Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including: income security programs, welfare reform, medicare, poverty lines and poverty statistics, the retirement income system, taxation, labour market issues, social services and legal aid.

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, 2^e étage, 1010, rue Somerset ouest, Ottawa K1A 0J9, sous notre site web au www.ncwcnbes.net ou sous forme de courrier électronique au ncw@magi.com.