



POVERTY PROFILE 2007

DEPTH OF POVERTY

Highlights

- Little improvement in the depth of poverty over the past 30 years.
- In 2007, family types with incomes farthest below the poverty line were working-age unattached individuals and families with children.
- Many people live in deep poverty.

After-tax low income cut-offs are used to measure poverty in this bulletin, unless otherwise noted. For details on methodology and data sources, see the *Methodology, Definitions and Information Sources* bulletin.

DEPTH HELPS US TO UNDERSTAND THE SEVERITY OF POVERTY

Poverty rates show us how many people live in poverty. However, they do not tell us whether people are living in abject poverty or just a few dollars below the poverty line. Depth of poverty statistics provide that added insight.

Depth of poverty is measured by comparing the incomes of poor families with the poverty line. Sometimes the incomes are expressed as a percentage of the poverty line and sometimes simply as dollars below the poverty line.

DEPTH OF POVERTY VARIES BY FAMILY TYPE

Using a percentage of the poverty line, depth is greatest for working-age unattached individuals

The two family types living in the deepest poverty were working-age unattached men and women. In 2007, their incomes were on average 55% and 58% of the poverty line, respectively.

At the other end of the scale, unattached seniors were the family type with incomes closest to the poverty line. The incomes of both men and women were on average 86% of the poverty line.

The **Market Basket Measure** (MBM) showed similar results. The only notable difference was the greater depth of poverty for unattached senior women. Their incomes were 74% of the MBM, compared to 86% of the low income cut-off (LICO) in 2007.

Using average dollars below the poverty line, depth is greatest for families with children

In 2007, the greatest depth of poverty belonged to poor male lone-parent families. These families needed on average \$8,600 to reach the poverty line. The gap for two-parent families was \$7,600 followed by female lone-parent families at \$7,500.

Unattached poor seniors had the smallest depth of poverty. Women needed on average \$2,400 to reach the poverty line, while men needed \$2,300.





Over the past 20 years, two-parent families tended to have the largest depth of poverty, ranging from \$7,500 to \$9,500. Unattached seniors have always had the smallest gap.

When ranking family types using depth in dollars, the order is slightly different than when using percentages. In part, this is because the needs of families of two or more persons are greater in dollar terms than the needs of unattached individuals.

Total poverty gap

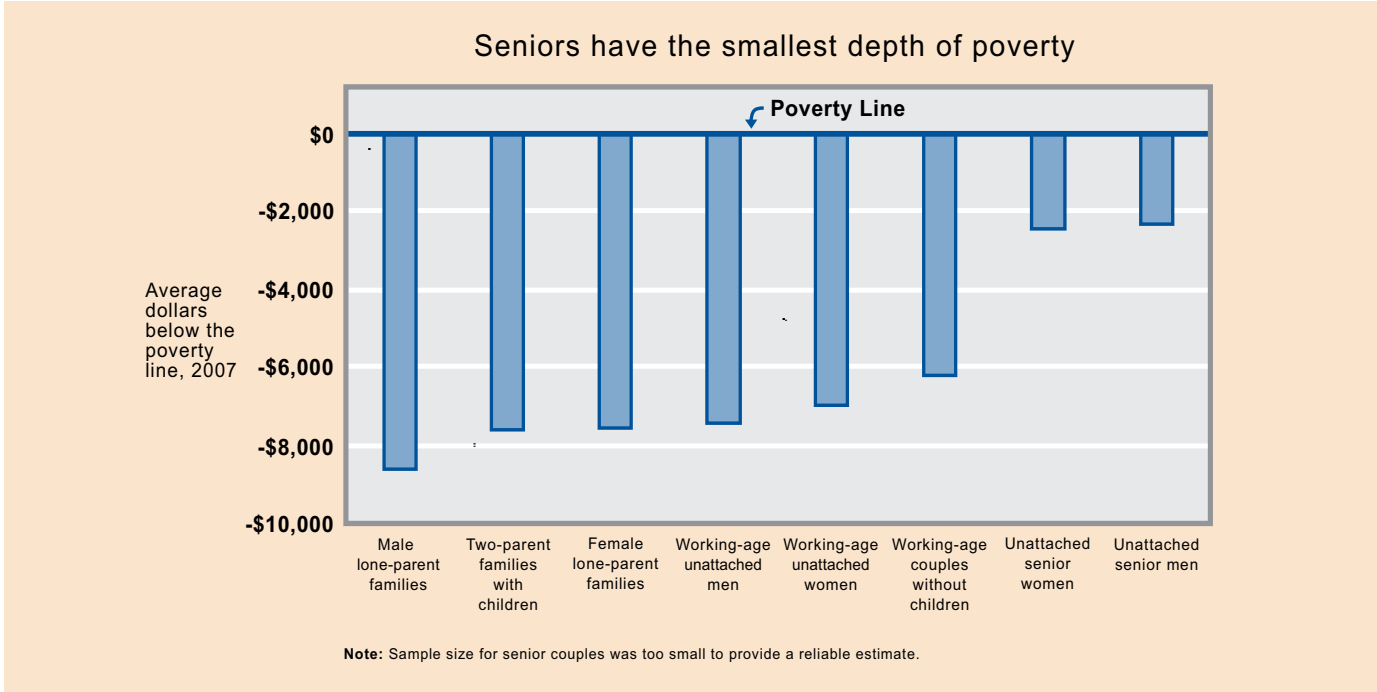
Canada's total poverty gap – the amount of money needed to bring all people living in poverty up to the poverty line – was \$12.3 billion in 2007. This was the lowest gap since 1990.

This is a large amount of money, but by way of comparison, Canada's gross domestic product in 2007 was \$1.5 trillion, 124 times higher. The poverty gap was also the equivalent of only 1.5% of the total market income earned by all Canadians in 2007.¹

MANY UNATTACHED INDIVIDUALS LIVE IN DEEP POVERTY

Now we highlight the poorest of the poor, those living in deep poverty with incomes less than half of the poverty line.

¹ Market income is the sum of employment income, investment income, retirement income and other money income. It is the same as total income before taxes minus income from government sources.



How much is half of the poverty line?² In a large city in 2007, half of the poverty line was equal to:

Family size	\$
1 person	\$8,977
2 persons	\$10,926
3 persons	\$13,605
4 persons	\$16,973

Working-age unattached individuals are by far the most likely to live in deep poverty. In 2007, more than one in three living in poverty had incomes of less than half of the poverty line. This worked out to 428,000 people – three times the population of Prince Edward Island.

Two-parent families were the working-age family type least likely to live in deep poverty. In 2007, 12% of poor two-parent families had incomes of less than half of the poverty line.

The number of senior couples and unattached seniors living in deep poverty was too small to provide a reliable estimate.

Working-age families with incomes of less than half of the poverty line, 2007

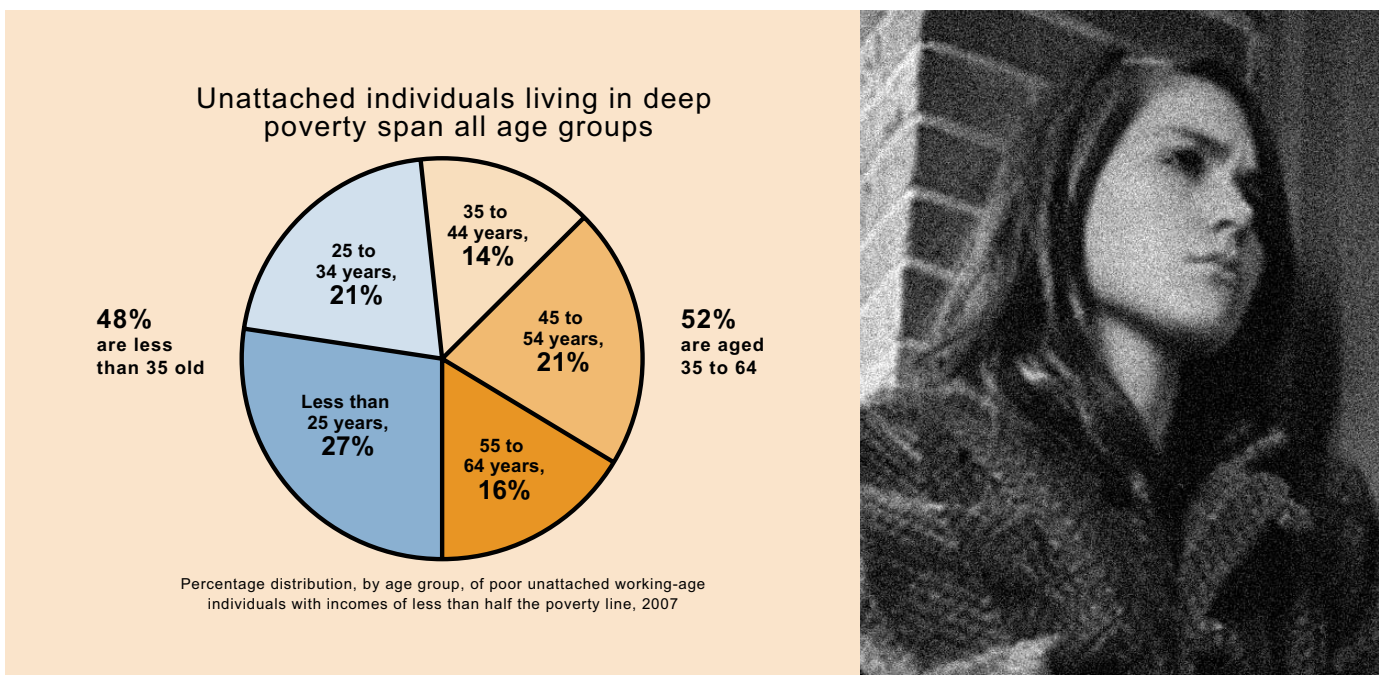
	Number	% of poor families
Unattached men	237,000	39%
Unattached women	191,000	36%
Couples without children	25,000	24%
Female lone-parent families	31,000	23%
Two-parent families	18,000	12%

People of all ages live in deep poverty

While you might think that unattached individuals living in deep poverty are young people either in school or starting their careers, this is not the case.

- Just over half of unattached individuals living in deep poverty were 35 years or older.
- 37% were between 45 and 64 years old.

² For more details about poverty lines, see the *Methodology, Definitions and Information Sources* bulletin.



HAVE WE MADE PROGRESS?

Looking over the past 30 years, there has been little sustained improvement in the depth of poverty.

When we break it down by family type, we can see that there has been some progress for a couple of groups.

- The average depth of poverty for unattached seniors is about half of what it was 30 years ago.
- There has been sustained improvement for female lone-parent families, although the average depth of poverty is still high.

Bringing poverty rates and depth of poverty together

Depth of poverty varies greatly by family type. When we combine depth with poverty rates, we have a better understanding of poverty in Canada.

Most notably, seniors have lower poverty rates than other age groups and very few live in deep poverty.

On the other hand, working-age unattached individuals have the highest poverty rates and are the most likely to live in deep poverty.

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February 2010