

Tracking Poverty: did you know?

The 2006 Census of Population is the most current and comprehensive data source for the study of the socio-demographic characteristics of poverty. The result of the 2011 National Household Survey (NHS) will not be available until 2013 and beyond. Unlike past censuses, the NHS is a voluntary program; its data reliability and comparability with previous censuses still have to be determined.

On an annual basis, Statistics Canada produces certain economic and demographic information from the income tax forms submitted by Canadians. Over 23 million records are processed each year to provide the most detailed and accurate data possible. The Small Area Data produced by the Statistics Canada's Small Area Administrative Data Division (SAAD) are available at smaller geographic levels such as postal areas and selected census areas.

Although the data derived from the income tax forms do not provide the same amount of socio-demographic data collected by the long-form census, its availability on an annual basis (instead of every five years for the census) and high accuracy (direct count from the tax file – not a sample) makes it an alternative data source for the study of poverty. It enables us to track poverty annually.

Low Income Measures (LIM)

For the tax file data, Statistics Canada uses the Low Income Measures (LIM) as relative measures of poverty instead of the Low Income Cut-offs (LICO) which are income thresholds below which families will devote a large share of income to the necessities of food, shelter and clothing than the average family would. LIM is also the most commonly used low-income measure internationally.

Low Income Measure (LIM) - After Tax 2009						
	Number of children less than 16 years of age					
	0	1	2	3	4	5
1 adult	\$15,770	\$22,078	\$26,809	\$31,540	\$36,271	\$41,002
2 adults	\$22,080	\$26,812	\$31,543	\$36,275	\$41,006	\$45,738
3 adults	\$28,390	\$33,122	\$37,853	\$42,585	\$47,317	\$52,049
4 adults	\$34,700	\$39,432	\$44,164	\$48,896	\$53,627	\$58,360

Source: Statistics Canada, Income Statistics Division

In simple terms, the LIM is a fixed percentage (50%) of median₂ adjusted economic family income, where "adjusted" indicates that family needs are taken into account. Adjustment for family sizes reflects the

fact that a family's needs increase as the number of members increase. Most would agree that a family of five has greater needs than a family of two. Similarly, the LIM allows for the fact that it costs more to feed a family of five adults than a family of two adults and three children

What is most often used to measure poverty in Canada is Statistics Canada's Low Income Cut Off (LICO). Statistics Canada has determined that the average household spends about 35% of its income on basic needs - food, shelter and clothing. Therefore, a family is considered "poor" if they spend 55% or more of their household income on these items.

The LICO is defined by different family sizes and different populations' after tax income. The following table indicates the low income cut-offs after-tax in 2006 for rural areas and urban areas with populations 30,000 to 99,999, similar to the City of Peterborough. A person or family is considered to be living in poverty if their income falls below the LICO.

Income Statistics for Peterborough - 2008	
Average Household Income	\$65,086
Average Family Income	\$74,219
Per Capita Income	\$26,345
Disposable Income / Household	\$49,124
Discretionary Income/ Household	\$15,743
Notes: Disposable income is your gross income after taxes and deductions. Discretionary income is your "net buying power" after taking care of necessities (food, clothing, and shelter).	
Source: Financial Post Markets 2008, Greater Peterborough Economic Development Corporation Online Community Profile	

After-Tax Low Income Cut-Offs for Rural Areas and Urban Areas with Populations Similar to Peterborough (30,000 to 99,999)		
Size of Family Unit	Rural Areas (\$)	Urban Area— Size of Peterborough (\$)
1 person	11,494	14,674
2 persons	13,989	17,860
3 persons	17,420	22,239
4 persons	21,731	27,745
5 persons	24,746	31,594
6 persons	27,444	35,039
Source: Statistics Canada "Low Income Cut-Offs for 2006 and Low Income Measures for 2005", Cat. no. 75F000MIE		

Currently the highest incidence of low income households occurs within the city.

Peterborough City and Rural Municipalities

Total Population in Private Households		All Persons in Low-Income Households (after-tax) (LICO)	Percentage in Low Income Households(LICO)
Peterborough City	72,750	9,140	12.6
North Kawartha	2,320	205	9.1
Asphodel -Norwood	4,130	340	8.2
Havelock -Belmont - Methuen	4,630	245	5.3
Douro - Dummer	6,895	335	4.9
Galway -Cavendish – and Harvey	5,230	240	4.6
Cavan -Millbrook - North Monaghan	8,610	350	4.1
Otonabee -South Mona-ghan	6,875	275	4.0
Smith – Ennismore - Lakefield	17,275	620	3.6
County Total	55,965	2,610	4.7
Note: Total population in the city and county in 2006 was 133,080. 4,365 people are not accounted for in this table.			
Source: Statistics Canada, 2006 Census Data. "Income Status After Tax for Census Subdivisions			

Those in low income households are among the most vulnerable in our community. As illustrated in the table below, in Peterborough City and County there are over 400 children under the age of six living in poverty and over 700 seniors living in low income households.

Prevalence of Low Income in Peterborough City and County, 2006	Peterborough City	%	Peterborough County	%
Population in private households	72475		55905	
Low income before tax	12139	16.7	3903	7
Low income after tax	8930	12.3	2293	4.1
Children under 6 years of age	3935	5.4	2725	4.9
Low income before tax	401	0.6	65	0.1
Low income after tax	241	0.3	40	0.1
Persons 65 years of age and over	12865	17.8	9525	17
Low income before tax	712	1	40	0.1
Low income after tax	71	0.1	25	0
Notes: The numbers representing Peterborough County represent the townships (note the reserves are not included in the counts)				
Source: Statistics Canada, 2006 Census				

For more information on economic trends in our community go to www.pspc.on.ca and refer to our recently released report: "Quality of Life Report 2012: Indicators Vital to our Community"

Resources: Community Development Halton, Community Bulletin, October, 2012, Peterborough Social Planning Council, "Quality of Life Report 2012: Indicators Vital to our Community", 2012

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