



Community and Health Services  
Office of the Commissioner

## Memorandum

TO: Members of Committee of the Whole

FROM: Adelina Urbanski  
Commissioner of Community and Health Services

DATE: September 8, 2016

RE: **Working Poor in York Region – Trends from 2006 and 2012**

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Attached is the *Working Poor in York Region – Trends from 2006 and 2012* report (Attachment 1). This report is part of the Community and Health Services Department's on-going analysis of key income trends in York Region. The analysis is focused on York Region's working poor (or low income workers). It uses custom data from Statistics Canada's 2006 and 2012 income tax data.

Understanding the dynamics of the working poor is a key part of departmental and corporate-wide strategic and service planning to provide opportunities for all residents to succeed in making ends meet and advancing to better jobs.

Addressing the needs of the working poor is largely a federal and provincial responsibility. However, given increasing working poverty trends in York Region (similar to other areas in the GTA), this report highlights potential Regional implications. The information in this report is already being used to inform discussions on York Region's Transit Fare Strategy and the Human Services Planning Board – York Region's Progressive Employment Community Result.

This report provides a starting point for more analysis by community groups, Regional staff, local municipalities and others on how the working poor dynamics relate to service needs and community development.

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Adelina Urbanski  
Commissioner of Community and Health Services

AU/cm

Attachment (1)

#6843159

# Working Poor in York Region

Trends from 2006 and 2012  
September, 2016



Attachment 1

**Community and Health Services**  
Strategies and Partnerships

[york.ca](http://york.ca)

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## Introduction

York Region has a prosperous economy, vibrant business sectors and one of the fastest growing labour forces in Canada. This growth has provided a healthy community, jobs and opportunities for many York Region residents to succeed.

At the same time, this economic growth is not experienced by all residents in York Region, including those who work. For some, having a job is not enough to pull them out of low income and they can face challenges in making ends meet.

This report highlights key trends about York Region's low income workers or "working poor". It uses custom data from Statistics Canada's 2006 and 2012 income tax data. <sup>i, ii</sup>

## How is working poor defined?

The working poor are a subset of York Region's low income population. They are residents who are working within 18 to 64 years old that are not students; and live in a household or family that is below a defined low income line. They can be working within or outside York Region and can include people in a range of labour market situations.

Specific to the data in this report, low income is defined by the Low Income Measure – After Tax (LIM-AT). The LIM-AT is adjusted for family size every year. As an example, in 2012 the LIM-AT was \$16,968 for a single person and \$33,936 for a couple family with two children under 16. All people who live in a family that is below the low income line are counted as low income. <sup>iii, iv</sup>

The working poor are part of the regional labour force and live like many other working residents – commuting to work and trying to balance daily personal and family tasks with job schedules.

However, research has shown the working poor face other challenges. For example, they have less access to employer-funded health benefits compared to middle and higher income workers. <sup>v</sup> In addition, they find it harder to pay for their children's school supplies or school trips. <sup>vi</sup>

Increasing numbers of working poor is also a potential indicator of labour market issues – for example, are there enough pathways from entry level to better jobs and are jobs providing adequate wages or enough work for those who want it?

These challenges can have impacts on Regional services. For example, finding and keeping a job is a key success point for residents receiving Ontario Works and leaving assistance. If they do not receive enough income while working, these residents will more likely experience struggles in maintaining a stabilized work, housing and healthy environment. These can all be factors in returning back to Ontario Works.

This information sheet provides insights into the pressures facing Regional human services.

## York Region Trends

### The number and percent of York Region's working poor is growing

Based on the data used in this report, the total number of York Region working age residents in 2012 was 538,060. Of these 42,930 were working poor, or 8% of the total (the working poor



rate). In comparison, the total number of working age residents in 2006 was 476,810, of which 31,270 were working poor, or 6.6% of the total. Many jurisdictions in the Greater Toronto Area (GTA) have experienced an increase in working poor rates between 2006 and 2012 as shown in Table 1 – in particular, the “inner” and “outer” suburbs of the GTA.

**Table 1**

**Working Poor Rates, Large “Outer” and “Inner” Suburbs, Greater Toronto Area, 2006 and 2012**

<b>Outer Suburbs</b>	<b>2006</b>	<b>2012</b>	<b>Change in Percentage Points</b>
Markham	8.1%	10.2%	2.1
Brampton	7.9%	9.6%	1.7
Richmond Hill	7.3%	8.8%	1.5
Ajax	5.2%	6.5%	1.3
Vaughan	6.0%	7.1%	1.1
Pickering	4.7%	5.7%	1.0
Oakville	4.1%	4.8%	0.7
Mississauga	7.8%	8.4%	0.6
<b>Inner Suburbs</b>			
North York	11.2%	13.1%	1.9
Scarborough	10.8%	12.0%	1.2

Source: John Stapleton with Jasmin Kay (2015). *The Working Poor in the Toronto Region: Mapping working poverty in Canada’s richest city*. Metcalf Foundation: 11-13.

**The working poor as a percentage of the low income working age population is growing**

As Table 2 shows, the working poor increased as a percentage of all low income residents who were working age. In 2006, the working poor made up 37.2 per cent of all working age low income residents. In 2012, this percentage increased to 41.4 per cent. Possible factors include:

- More low income residents were able to find and keep work.
- More people who were working poor may have moved to York Region in search of jobs or housing.
- More working residents fell into low income between 2006 and 2012 as a result of the 2008/09 recession.

**Table 2**

**Low Income Population (18 to 64) by Working Poor Status, York Region, 2006 and 2012**

	<b>Number and Per Cent of Working Age Low Income Population</b>	
	<b>2006</b>	<b>2012</b>
<b>Working Poor</b>	31,270 (37.2%)	42,930 (41.4%)
<b>Not Working Poor</b>	52,860 (62.8%)	60,840 (58.6%)
<b>Total Working Age, Low Income</b>	84,130 (100%)	103,770 (100%)

Source: Calculations by Strategies and Partnerships Branch, York Region based on Statistics Canada, Income Statistics Division, T1 Family Files 2006 and 2012, Custom Tabulation.



## York Region's working poor are aging

Table 3 shows the age distribution of York Region's working poor. Residents 30 to 44 years old were the largest age group among the working poor in York Region in both 2006 and 2012. However, the number of older workers (44 to 64 years old) increased faster and as a result made up a growing percentage of all working poor. This trend was likely driven by York Region's overall aging profile and possibly the impact of the 2008-09 recession on older workers who lost jobs and found it difficult to find new jobs at similar rates of pay as their old jobs.

**Table 3**  
**Age Distribution of York Region's Working Poor, 2006 and 2012**

Age Groups	Number and Per Cent of Working Poor		Growth 2006 - 2012
	2006	2012	
<b>18-29</b>	6,181 (19.8%)	7,573 (17.6%)	22.6%
<b>30-44</b>	14,080 (45.0%)	16,572 (38.6%)	17.7%
<b>45-54</b>	7,338 (23.5%)	11,735 (27.3%)	60.0%
<b>55-64</b>	3,660 (11.7%)	7,050 (16.4%)	92.7%

Source: Statistics Canada, Income Statistics Division, T1 Family Files 2006 and 2012, Custom Tabulation.

## York Region's working poor live mostly in families

Table 4 shows the distribution of the working poor by family type. Families with children – both couples and lone parents – were about half of all working poor residents in 2012. This was down slightly from 2006.

**Table 4**  
**Family Distribution of York Region's Working Poor, 2006 and 2012**

Family Types	Number and Per Cent of Working Poor		Growth 2006-2012
	2006	2012	
One person	8,264 (26.4%)	11,686 (27.2%)	41.4%
Couples with no children	6,241 (20.0%)	9,799 (22.8%)	57.0%
Couples with children	13,442 (43.0%)	17,393 (40.5%)	29.4%
Lone parents	3,314 (10.6%)	4,052 (9.4%)	22.3%

Source: Statistics Canada, Income Statistics Division, T1 Family Files 2006 and 2012, Custom Tabulation.

As is the case with the changing age profile of York Region's working poor, the shift in family type is likely due to an aging population in York Region with fewer couples having children that live at home. As well, child benefits have increased over the last 10 years in Ontario and Canada. This has likely helped pull some working poor families out of low income. While support for working individuals also increased with the introduction of the federal Working Income Tax Benefit in 2007 (and enhancement in 2009), it has not been as robust as child benefits to families.

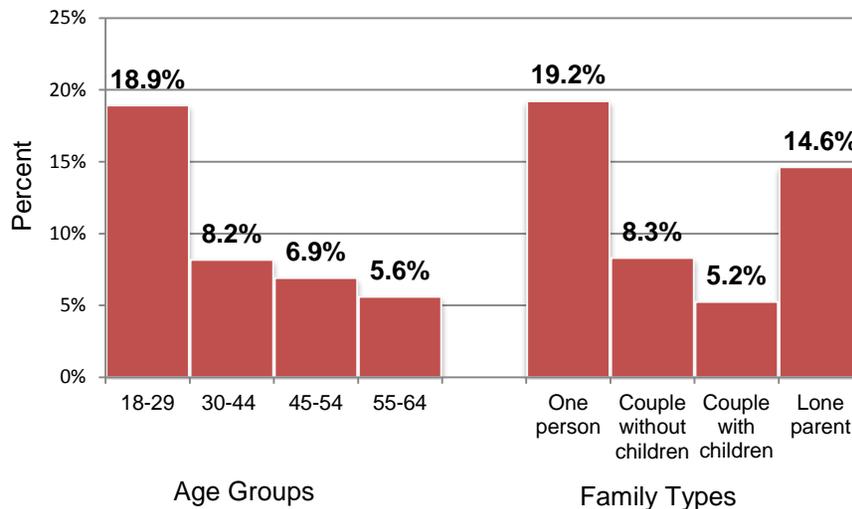


## Some groups are more likely to be working poor

As Chart 1 shows, the percent of residents who are working poor varies by age group and family type. This is calculated as a working poor rate – the percentage of residents for each age group and family type who are working poor.

Younger workers, people living without families and lone parents are all more likely to be working poor than other age groups or family types. This is not surprising. Many younger workers are starting their work lives and have yet to move up the income ladder. Also, single people or lone parents often need to rely on one income to make ends meet. Couples are less likely to be working poor due to often having more than one earner in a family.

**Chart 1**  
Percent of Residents by Age Group and Family Type who are Working Poor, York Region, 2012

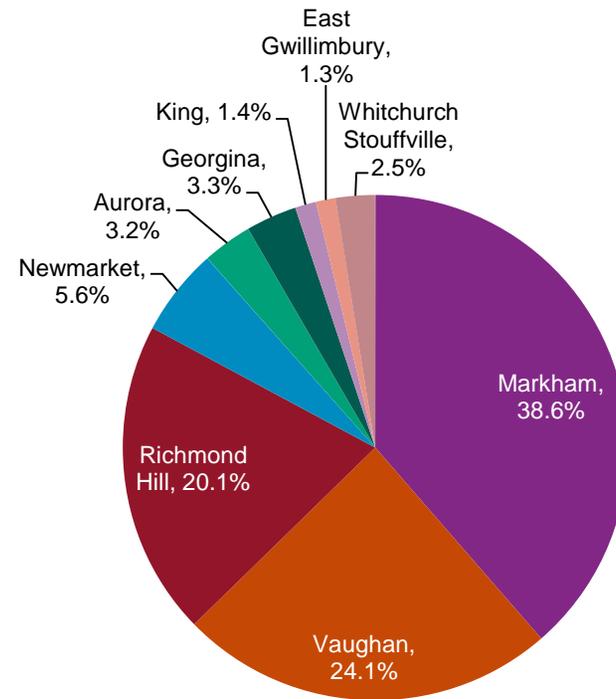


Source: Statistics Canada, Income Statistics Division, T1 Family Files 2012, Custom Tabulation.

## Distribution and rates of working poor vary at community level within York Region

As Chart 2 shows, almost 83 per cent of York Region's working poor live in the City of Markham, the City of Vaughan and the Town of Richmond Hill. The percentage did not change from 2006.

**Chart 2**  
Distribution of Working Poor in York Region, by Local Municipality, 2012



Source: Statistics Canada, Income Statistics Division, T1 Family Files 2012, Custom Tabulation.



As Map 1 shows at end of this document, census tracts with the highest rates of working poor are located in the City of Markham, the City of Vaughan and the Town of Richmond Hill.

Census tracts are small, relatively stable geographic areas that usually have a population between 2,500 and 8,000 persons. The working poor rate is the percentage of working age residents in each census tract who are working poor.

More analysis is needed to help explain the concentration of working poor in York Region. Key questions include:

- Are jobs tied to sectors that are more likely to be lower paying growing in specific communities?
- Are local housing markets converting older ownership stock into rentals? Are communities with older housing stock becoming more affordable to potential owners?
- Is York Region's growing housing mix in certain areas creating more mixed income communities?
- To what extent is the trend tied to settlement patterns of newcomers, who often struggle to find jobs that match their skills?

## Policy Implications

### What is driving working poor trends?

This growing trend in the working poor population likely reflects GTA-wide economic and labour market changes during this period. These changes included:

- A decline in the relative importance of the manufacturing sector, which had historically provided stable jobs for many and did not require post-secondary education.
- A hollowing out of middle-level jobs in the goods and service sectors and growth in typically higher-pay

knowledge sector jobs and typically lower-pay service sector entry level jobs.

- Fewer opportunities to advance within companies and more job precarity<sup>vii</sup> and outsourcing or contracting of services.

As well, the gentrification of neighborhoods within the old City of Toronto and job growth in the outer suburbs likely drew some working poor northward.

Increasing working poor rates is a long-term trend. Research by the Metcalf Foundation using 2001 and 2006 Census data shows working poor rates have been on the rise since 2000 in the GTA, including York Region.<sup>viii</sup> As a result, both the long-term growth in the number of working poor residents and the increasing percentage of residents who are working poor are important policy issues for all GTA jurisdictions.

### Addressing the working poor is primarily a federal and provincial role

Responding to the needs of the working poor is primarily a federal and provincial responsibility. Key policy areas include income support, access to in-kind benefits, social assistance reform, employment regulations, education and training and job creation.

Progress has been made over the last 10 years, including recent changes or commitments by both the federal and Ontario governments – for example, improving federal child benefits and access to Employment Insurance for people entering or re-entering the labour force; developing a provincial roadmap for income security reform in Ontario, including simplifying social assistance, exploring how to extend health benefits to lower income Ontarians, piloting a basic income program and developing a framework for portable housing



benefits; and a review of Ontario's employment standards and labour relations legislation.

## The Region has taken positive action in support of federal and provincial roles

Regional government has a number of initiatives to support people who may be struggling to make ends meet and advance in the labour market, including the working poor. For example, York Region's *Economic Development Action Plan* addresses economic challenges and opportunities facing York Region and the Human Services Planning Board – York Region's *Making Ends Meet* strategy identifies progressive employment and housing affordability as priorities.

Most of the direct support to working poor residents is through provincially mandated or Regional discretionary programs managed by the Community and Health Services Department. These programs include:

- Child care fee assistance and Ontario Works employment benefits that help lower income residents find and keep work.
- Dental health programs to low income children, some whom live in working poor families.
- Housing assistance and recreation subsidies for low income individuals and families, some of whom are among the working poor as well.
- Transit fare subsidies for social assistance recipients who are working and a Transit Ticket Program providing community agencies with fares for clients to access basic needs.
- Community Investment Strategy that funds non-profit agencies that serve low to moderate income residents.

Given the increasing number of working poor residents in York Region, there may be a need for all Regional stakeholders to

explore additional policies to supplement the programs and services already provided. These could include:

- **Transit:** Review existing transit fare policies and how they could incorporate income-related benefits that include the working poor.
- **Workforce Development:** Explore engaging employers in creating pathways to better jobs for working poor residents – such as more sector-specific training and co-op programs that link employers, trainers and employees or job seekers to specific jobs or through Community Benefit Agreements. Encourage workforce development strategies to target the range of age groups within the working poor – for example, youth entering the workforce versus middle-age or older workers who are facing job disruptions.
- **Advocacy and Partnerships:** Explore partnerships that focus on addressing underemployment and job precarity in the community. These partnerships could include advocacy on re-designing federal and provincial supports that help workers better manage the risk of job precarity.

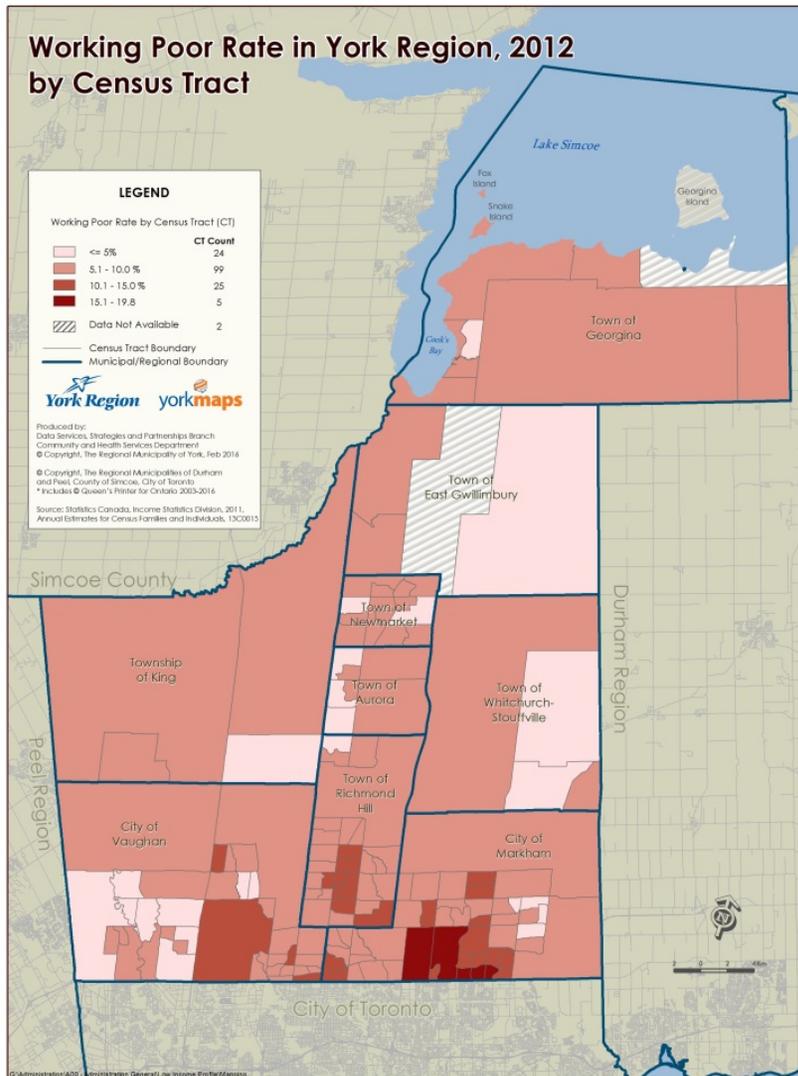
For all inquiries and questions regarding this information, its dissemination and use, please contact [CHSDataandPolicy@york.ca](mailto:CHSDataandPolicy@york.ca). Accessible formats or communication supports are available upon request.

## Acknowledgements

Strategies and Partnerships Branch acknowledges and thanks John Stapleton and the Metcalf Foundation for providing access to the data used in this information sheet.



# Map 1



<sup>i</sup> Income tax data is developed by Statistics Canada by matching personal income tax with other records, such as the Canada Child Tax Benefit, SIN, addresses and birth files. The data is then aggregated into population profiles for families and people not in families. Statistics Canada follows strict confidentiality procedures to develop the data and no personal information or identifiers are provided. Income tax data is a highly accurate that covers 100% of tax filers and 95% of all Canadians. Statistics Canada (2015). *Annual Income Estimates for Census Families and Individuals (T1 Family File): Individual Data User's Guide*. Income Statistics Division, 13C0015. (Retrieved from [http://www23.statcan.gc.ca/imdb-bmdi/document/4105\\_D5\\_T1\\_V12-eng.pdf](http://www23.statcan.gc.ca/imdb-bmdi/document/4105_D5_T1_V12-eng.pdf)).

<sup>ii</sup> The data used in this report is provided by John Stapleton and the Metcalf Foundation. For more on the data and analysis across the Greater Toronto Area, see John Stapleton with Jasmin Kay (2015). *The Working Poor in the Toronto Region: Mapping working poverty in Canada's richest city*. Metcalf Foundation. (Retrieved from <http://metcalfoundation.com/wp-content/uploads/2015/04/WorkingPoorToronto2015Final.pdf>.) The analysis is based on custom data ordered by Metcalf Foundation from Statistics Canada. The data includes information for York Region local municipalities and census tracts.

<sup>iii</sup> LIM-AT is calculated as income levels that are 50 per cent of the Canadian after tax median income adjusted for family size. Statistics Canada recalculates LIM-AT thresholds every year based on annual changes in the median income level. LIM-AT is a relative measure – it compares the bottom of the income distribution with the middle of the income distribution. It is not based on spending patterns such as on housing, food and clothing. A person is considered low income if the income of the census family they live in (or, in the case of a person not living in a census family, their individual income) fall below the LIM-AT for their census family size.

A census family includes couples living in the same dwelling with or without children and lone parents with one or more children. All other people are classified as persons not in census families. They may live alone or with another person, such as a family member to whom they are related (e.g. brother-in-law, cousin, grandparent) or with a roommate.

<sup>iv</sup> Researchers have used varying definitions of the working poor in Canada. The definition in this report is one of the broadest definitions. It includes



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individuals who are 18 to 64 years old and have all of the following characteristics:

- Are not students or adult children living with their parents
- Have earnings of \$3,000 or more a year
- Live in a family with an income below the Low Income Measure – After Tax (LIM-AT)

The working poor can reflect a range of labour market situations (e.g. working full-time but for low pay; working part-time or casually/seasonally, or in temporary positions for low or moderate wages; or people receiving social assistance who are working but still eligible for financial assistance) – what is consistent in all these situations is they are living in a family or on their own with an income below the LIM-AT for their family size.

<sup>v</sup> Barnes, S., Abban, V. and A. Weiss (2015). *Low Wages, No Benefits: Expanding Access to Health Benefits for Low Income Ontarians*. Wellesley Institute. (Retrieved from <http://www.wellesleyinstitute.com/wp-content/uploads/2015/02/Low-Wages-No-Benefits-Wellesley-Institute-Feb-2015.pdf>.)

<sup>vi</sup> Wayne Lewchuk, et al. (2015). *The Precarity Penalty: The impact of employment precarity on individuals, households and communities – and what to do about it. Executive Summary: York Region* PEPSO: 16-17 (Retrieved from <http://www.unitedwaytyr.com/file/FINAL-Precarity-Penalty-Summary-York-Region-2016Mar21.pdf>).

<sup>vii</sup> Stapleton, *The Working Poor in the Toronto Region*: 28-30. See also, Wayne Lewchuk, et al. (2015). *The Precarity Penalty*. Job precarity refers to jobs that are less stable, have fewer employer paid benefits and job protections, less certainty over job schedules and less access to training. *The Precarity Penalty* report highlights the extent of precarity among residents and its impact on individual, household and community well-being including health, family life, household spending and community engagement. The impact of job precarity is greatest on low income workers, but is also evident among middle and higher income workers who are also precariously employed.

<sup>viii</sup> J. Stapleton, Murphy, B. and Xing, Y. (2012) *The “Working Poor” in the Toronto Region: Who they are, where they live, and how trends are changing*. Metcalf Foundation (Retrieved from <http://metcalfoundation.com/wp-content/uploads/2012/02/Working-Poor-in-Toronto-Region.pdf>).

