



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: April 9, 2015

RE: **Low Income Trends in York Region**

Attached is an information sheet on **Low Income Trends in York Region - 2000 to 2012** (Attachment 1). It highlights the number and percent of York Region residents living with low income, their age and family characteristics, where they live and some of the key factors impacting trends.

Understanding income dynamics is a key part of department and corporate-wide strategic and service planning. Community and Health Services has periodically reviewed low income trends in York Region to identify pressures on department services that are related to income levels. As low income is a key factor in increasing the risk of poor health, low income information also supports the Social Determinants of Health approach to programs which has been increasingly applied by the Department.

It also introduces a new data source - income tax filer data, which is aggregated data created by Statistics Canada from income tax returns. Income tax filer data can be used to address issues of data quality due to the loss of the Census Long Form and improves trend analysis by providing consistent annual estimates.

This information sheet is the first of three that Community and Health Services has recently completed on distinct but related topics of low income, income inequality and overall income distribution trends in York Region. Separate communications are being presented to Council in April, May and June 2015 on each of these topics.

The information sheets are intended to provide:

- A preliminary overview of key income trends that could impact on Regional human services in York Region
- A York Region perspective on broader policy discussions in Canada and elsewhere about income inequality and whether or not middle-income groups are declining

These information sheets provide a starting point for more analysis by community groups, Regional staff, local municipalities and others on how income issues relate to service needs and community development. Keeping a regular look at income trends is important so we can assess how economic change is impacting on York Region residents.

Adelina Urbanski
Commissioner of Community and Health Services

AU/uf

Attachment (1)



Low Income Trends in York Region -2000 to 2012

Information from Statistics Canada Small Area and
Administrative Data

April, 2015



Introduction

This information sheet highlights low income trends in York Region from 2000 to 2012 using Statistics Canada's Small Area and Administrative Data. This is data generated from income tax returns to provide information on income and some demographic indicators (age and family type) for residents across Canada – including York Region.

Small Areas and Administrative Data is referred to as income tax data throughout this information sheet.

Approach

What is income tax data?

Income tax data is **administrative** data. This means it is collected from government program information rather than from surveys. Income tax data is developed 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 data set that covers 100% of tax filers and 96% of all Canadians. It is available annually at a number of geographic levels.¹

How is low income measured?

Income tax data uses the Low Income Measure After-Tax (LIM-AT) to identify people who are

¹ Income taxes are filed in the spring following the tax year. Income tax data is then developed and issued the following year. For example, 2012 income tax data is developed from the 2012 tax returns filed in the spring of 2013, with data available for release to data users during the summer of 2014.

living with low income. LIM-AT is calculated as income levels that are 50% of the Canadian after tax median income adjusted for family size and age of children. As an example, in 2012 the LIM-AT was \$16,968 for a single person, \$33,936 for a couple family with two children under 16 and \$35,633 for a couple family with one child over 16 and one under 16. Statistics Canada recalculates LIM-AT every year.

A person is considered low income if the income of the family they live in (or, in the case of a person not living in a family, their individual income) fell below the LIM-AT for their family size.

Statistics Canada uses census families to calculate LIM-AT for income tax data. 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 to whom they are related (e.g., brother-in-law, cousin, grandparent) or with a roommate.

LIM-AT is just one of several low income lines Statistics Canada uses to track and analyze income trends in Canada (e.g. the Low Income Cut-Off or LICO). Each has their own methodology and different low income thresholds. Income tax data is only available with LIM.

Income tax data provides a consistent way to measure low income trends for a population

Using income tax data and LIM-AT is a new approach for York Region. Earlier publications of low income information were based on data from the now cancelled census long-form questionnaire, which used the Before Tax LICO to measure low income. The census data from the long-form questionnaire was collected through a mandatory survey of Canadian households.

The federal government’s decision to replace the census long-form questionnaire with the voluntary National Household Survey for the 2011 Census has disrupted how data users can track low income trends. This is mostly because of a shift in survey methodology. Voluntary surveys are more prone than mandatory surveys to people not responding. This is particularly the case among low and high income groups and can result in having an unrepresentative sample of the population (known as non-response bias). With the new methodology of the National Household Survey, Statistics Canada has indicated that estimates of low income between the National Household Survey and earlier Census are not comparable.²

Income tax data helps fill this gap. It follows a consistent methodology to identify people living on low income so data can be compared over time. Unlike Census data, which is available only every five years, income tax data has the added value of being collected annually.

It is important to note that different types of data and low income measures will provide different estimates of low income populations. Data users should be aware of these differences when comparing information from different data sets.

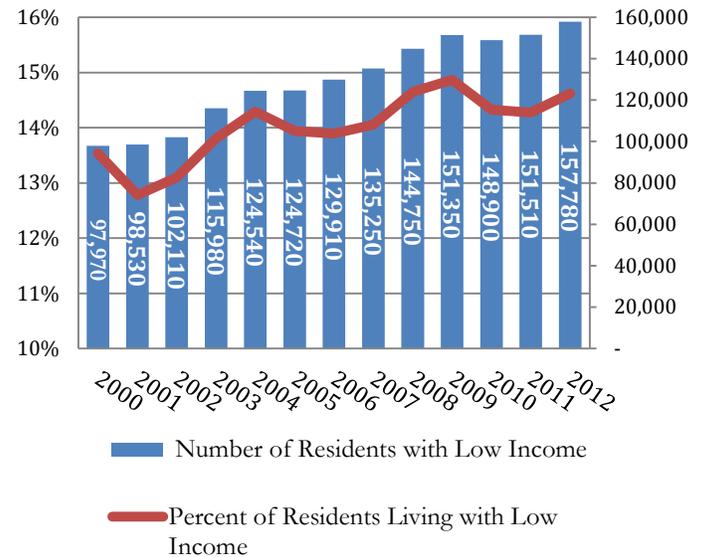
Low Income Trends

The number of people living on low income is increasing just above population growth

As Chart 1 shows, residents living with low income increased from about 98,000 in 2000 to 157,780 in 2012. The percent of all residents living with low income (the low income rate) also increased, with the highest during the 2008 and 2009 recession (14.6% and 14.9% respectively)

and dropping to 14.3% for 2010 and 2011. It increased again to 14.6% in 2012.

Chart 1
Number and Percent of Low Income Residents in York Region, 2000-2012



Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012 Annual Estimates for Census Families and Individuals 13C0016

As Chart 2 shows, the cumulative growth rate of residents living with low income was slightly above the overall population growth since 2003.³ This suggests that population growth is largely driving the number of low income residents in York Region, but that other factors, as will be discussed later on, are also evident.

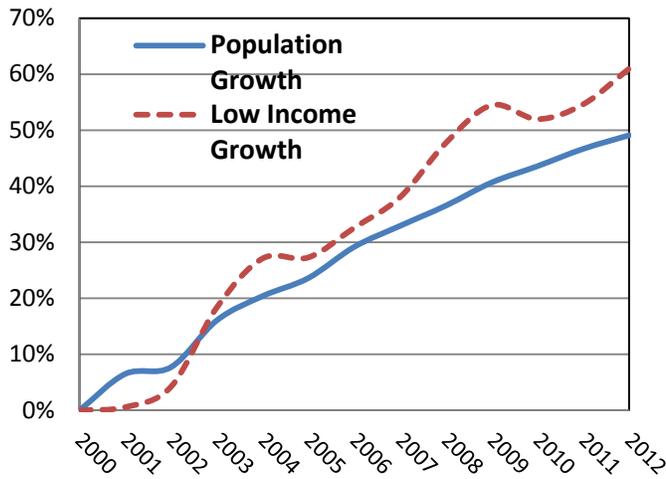
Overall, the number of residents living with low income grew by almost 61% between 2000 and 2012 compared to 49% for the total population.

² Statistics Canada (2013). *Income Reference Guide National Household Survey*. Catalogue No. 201199-014-XWE2011006, pages 19-21.

³ Population growth data used in this information sheet are from income tax data estimates.

Chart 2

Cumulative Growth Rate, York Region Total Population and Population with Low Income, 2000-2012



Statistics Canada, Small Area and Administrative Data Division, 2000-2012 Annual Estimates for Census Families and Individuals 13C0016

The age and family profiles of low income residents are changing

While seniors make up a small part of York Region residents living with low income, Chart 3 shows their share has increased since 2000 - from about 7% to almost 11%. This reflects York Region's overall aging profile and also could be a result of:

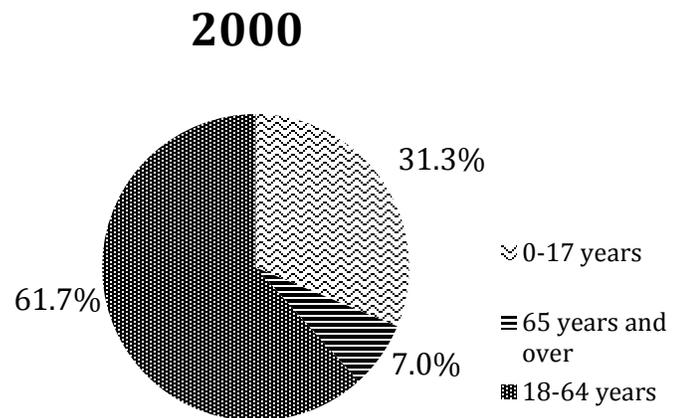
- Decreasing coverage of private workplace pension plans
- Reduced returns from savings and investments
- Lower earnings for seniors who worked during the 2008-09 recession
- Senior immigrants who are not eligible for Old Age Security benefits

The percent of York Region working age residents living with low income also increased. This could reflect changing labour markets during the 2000s, particularly during the recession

of 2008 and 2009. The impacts would vary depending on age – younger workers who faced challenges in entering or establishing themselves in the labour market and middle-aged to older workers who had to adjust to losing long-standing jobs.

Chart 3

Age of Residents Living with Low Income, York Region 2000 and 2012



Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012 Annual Estimates for Census Families and Individuals 13C0016

The decreasing share of children also reflects York Region's aging population. As Table 1 shows, while all low income age groups grew in numbers between 2000 and 2012, seniors and working age groups grew faster than children

living with low income. Child benefit levels are also a factor, which increased for York Region families since 2000 and likely pulled some out of low income.⁴

Table 1

Percent Change of York Region Residents Living with Low Income, by Age Group, York Region 2000-2012

	0-17	18-64	65 and Over
2000	30,640	60,450	6,880
2012	37,340	103,770	16,670
% Change	21.9	71.7	142.3

Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012 Annual Estimates for Census Families and Individuals 13C0016

Addressing needs of residents living with low income will differ between age groups

Income vulnerability requires different responses across age groups. Child benefits and family supports such as child care help parents meet their children’s needs while providing a secure environment where children can thrive when parents work. Adults need support in managing major economic and life events, updating skills and sustaining themselves everyday if facing disability or low wage work regardless if they have children or not. Most seniors can expect a basic level of support from Old Age Security, but some may lack enough income to retire and will have to supplement their income through work or rely on informal family support.

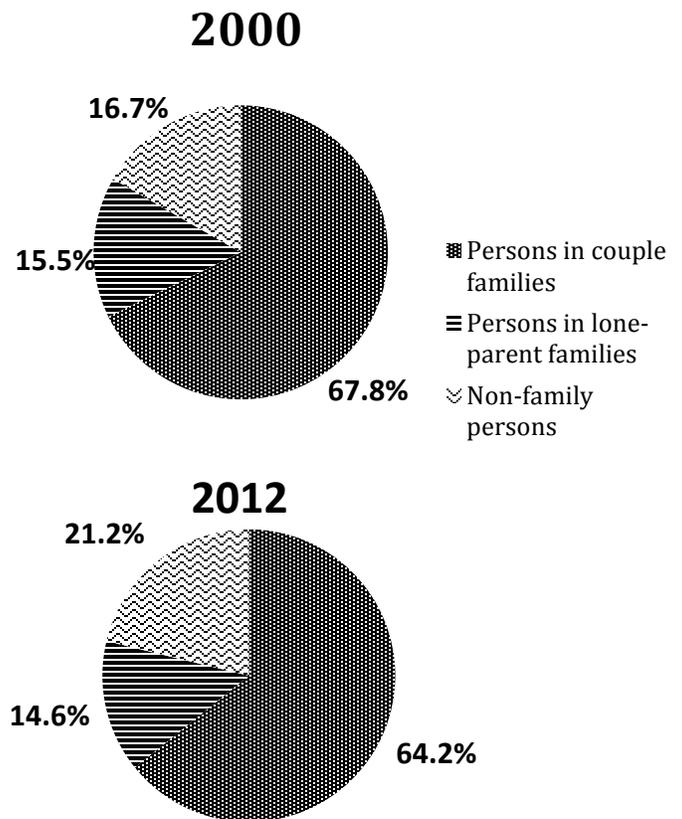
⁴Changes to child benefits included increases to the National Child Benefit Supplement (2003-2006) and the introduction of the Child Disability Benefit (2003), the Universal Child Care Benefit (2006) and the Ontario Child Benefit (2007). This led to higher average benefit amounts for York Region families who received child benefits between 2000 and 2012 – from \$1,724 to \$3,216. 118,430 York Region families received child benefits in 2012.

More low income residents are living alone

Chart 4 shows that most York Region residents with low income live in families. However, an increasing percent do not – from about 17% in 2000 to 21% in 2012.

Chart 4

Composition of Low Income Population by Family Type, York Region



Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012 Annual Estimates for Census Families and Individuals 13C0016

As Table 2 shows, the low income rate for people not living in families increased from close to 24% in 2000 to 30% in 2012. In contrast, there was little change for people living in lone parent or couple families. People not living in families are more likely to be low income. Contributing factors could include: fewer government supports available to single adults compared to families with children, the impact of the recent recession

on singles who faced job loss or the difficulties seniors living alone have living with one income or on survivor benefits. This is further impacted by the shortage of affordable housing in York Region.

Table 2
Low Income Rate, By Family Type, York Region

Family type	Low Income Rate	
	2000	2012
People not in families	24%	30%
People in lone parent families	28%	27%
People in couple families	11%	11.5%

Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012, Annual Estimates for Census Families and Individuals, 13C0016

Overall, 33,460 residents not living in families were low income in 2012. The number of residents with low income living in lone parent families and couple families was 23,050 and 101,270 respectively in 2012.

What are the factors impacting on low income trends?

Changing demographics

People can face periods of low income at different points in their life. Youth who are transitioning from school to work may have low earnings but then progress to better paying jobs over time. The income of seniors usually drops when they stop earning and retire, particularly for women who have had fewer opportunities to work full-time or at the same pay as men. And people who are not in families or who are living in lone parent families are more likely to face low income – they have fewer resources available to make ends meet or deal with a financial crisis.

Being a newcomer to Canada or part of racialized community, lacking knowledge of English and French, and having a disability are also well-known factors that place people more at risk of low income.

Since 2000, the number of people in these groups is growing in York Region. This reflects York Region’s diversity and the need to sustain strategies that promote full inclusion of all groups into York Region’s communities and local economy.

Employment and business cycles

An increase in unemployment rates usually lead to an increase in residents living in low income. This was evident in York Region during the recession of 2008 and 2009 when low income rates peaked. However, employment does not always reduce the risk of having low income, the type of work is as important as being employed. Jobs that are stable and provide good wages, regular hours, and benefits are more likely to keep people above low income levels than jobs that are more “precarious” or “non-standard” (i.e. temporary, casual or seasonal, often with low wages and few or no benefits or stability).

Employment Surveys indicate job quality remains strong in York Region, however, precarious work continues to rise

- From 2003 to 2014, full-time employment in York Region decreased as a share of all employment – from 77.6% to 73.5%. Part-time employment and contract/seasonal employment increased from 17.8 to 19.0% and from 4.6% to 7.5% respectively. The shift could be attributed to an increase in retail and personal services jobs which are typically population-based and generate part-time and seasonal employment.⁵

⁵ York Region Employment Survey, 2014. Data provided by Long Range Planning Branch, Corporate Services Department, The Regional Municipality of York.

- A 2011 survey of working-age residents in the Greater Toronto Area and Hamilton (GTA-H) found that 21% of York Region residents who responded were in temporary employment or were self-employed with no employees. A further 24% reported having jobs with elements of “precarity” – for example, people working full-time but without benefits, not expecting to be employed at the same place for a year or having work hours vary week to week and sometimes below 30 hours. Most people surveyed across the GTA-H who reported low income also faced insecurity in their work.⁶

These findings show the need for multiple strategies to:

- Support people in more insecure jobs to make ends meet, such as affordable housing, child care and access to health and dental benefits
- Generate good jobs and pathways for low skilled people or those lacking Canadian experience to access workforce opportunities.

Government policy

Government also influences income levels in many ways (e.g. employment regulations, education, economic development, tax policy), but income benefits have the most immediate

⁶ The survey was conducted during the fall 2011 by the Poverty and Employment Precarity in Southern Ontario (PEPSO) project, a joint initiative of McMaster University and the United Way Toronto. The survey was a random sample of 4,165 respondents aged 25 to 65 from across Toronto, Hamilton, Burlington and Peel, Durham and York Regions (Markham, Richmond Hill and Vaughan). Wayne Lewchuk, et al. (2013) *It's More than Poverty: Employment Precarity and Household Well-being*. PEPSO, p. 24 and 59 (Retrieved from <http://pepsouwt.files.wordpress.com/2013/02/its-more-than-poverty-feb-2013.pdf>).

impact and provide direct supports to many York Region families and individuals.⁷

All levels of government offer both targeted and universal programs that residents living with low income can access. Some examples include funding to facilitate access to child care, early intervention and recreation programs and full day kindergarten; supports for low income workers, recent immigrants or residents re-entering the labour market. Other initiatives include health benefits, oral health, healthy babies programs and mental health identification supports for residents living in low income. Housing programs to help keep people housed provide rent supports and supplements, funding for capital repairs and home renovations, and include investments for affordable and social housing projects.

Regional and local strategies also have critical roles by helping governments and community stakeholders collaborate and focus resources on preventing and reducing the risk of economic hardship.

Distribution of residents living with low income

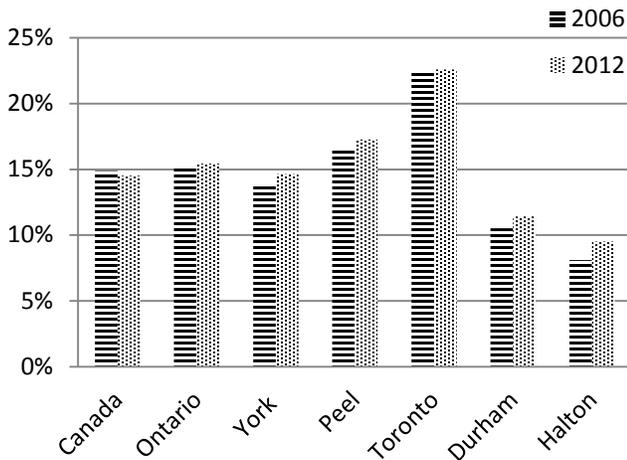
Low income is suburbanizing across the Greater Toronto Area

Low income rates vary across the Greater Toronto Area. As Chart 5 shows, York Region is in the middle – with higher rates in Peel Region and the City of Toronto and lower rates in Durham and Halton Regions. Like all areas in the Greater Toronto Area, York Region experienced

⁷ In 2012, about 84% of residents received some sort of government benefit. These include workers compensation payments, Canada Pension Plan (regular and disability), Old Age Security, Working Income Tax Benefit, Employment Insurance, social assistance, federal and provincial child benefits and other federal and provincial refundable tax credits.

an increase in low income rates between 2006 and 2012.

Chart 5
Low Income Rates, Canada, Ontario and Greater Toronto Area, 2006 and 2012

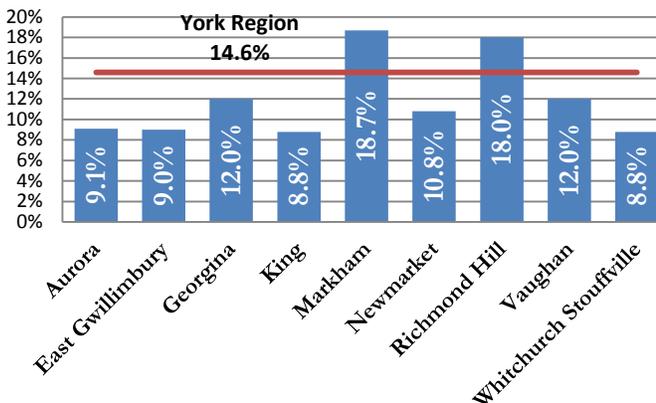


Statistics Canada, Small Area and Administrative Data, 2006 and 2012 Annual Estimates for Census Families and Individuals 13C0016

Low income rates vary between local municipalities

As Chart 6 shows, Markham and Richmond Hill had low income rates higher than the York Region average in 2012.

Chart 6
Percent of Residents with Low Income, York Region Local Municipalities, 2012



Source: Statistics Canada, Small Area and Administrative Data Division, 2000-2012, Annual Estimates for Census Families and Individuals, 13C0016

Where do residents with low income live?

While residents with low income live across York Region, the majority - about 84% - live in the three southern local municipalities of Markham, Richmond Hill and Vaughan.

Map 1 provides community level information by census tracts⁸ which can be used as a baseline for understanding the extent low income is becoming concentrated in York Region. This can be looked at in two ways. The first way is by the number of census tracts with moderately high to high low income rates. In 2012, this included about 20% of all census tracts.⁹

The second way is by looking at the number of low income residents who live in census tracts with moderately high and high low income rates. In 2012, this included about 33% of all low income residents.

Both measures suggest that York Region has mostly avoided high levels of concentrated low income at the community level and most residents living with low income are generally integrated into mixed income communities. Tracking future changes in these measures will be important in determining how well York Region is helping sustain communities that are inclusive for all income levels.

Low income residents living in more affluent areas are more likely to benefit from having access to employment and recreational and

⁸ Census tracts usually have a population of 2,500 to 8,000. York Region has 186 census tracts.

⁹ The term “moderately high and high low income rates” reflect classifications developed by Canadian Council on Social Development to measure neighborhood poverty. These classifications include: Low = low income rates of zero to 10%; Moderate = 10.1% to 20.0%; moderately high = 20.1% to 30.0%; High = 30.1% to 40.0%; and Very high = 40.1% or more. York Region has 36 census tracts with low income rates that range from 20.2% to 29.3% (moderately high) and two census tracts with low income rates of 30.4% and 35.5% respectively (high). There are no census tracts at the very high level. Canadian Council on Social Development (CCSD) (2007). *Poverty by Geography: Urban Poverty in Canada, 2000*. Ottawa.

community facilities. However, they may also have a hard time finding affordable housing and targeted services that help them participate in their community. They may also struggle in avoiding stigma if they cannot pay for extra-curricular activities for their children. For low income residents living in rural areas of York Region, accessing services and affordable transportation may be challenges.

For More Information

Research and analysis for this information sheet is prepared by the Strategies and Partnerships Branch, Community and Health Services Department, the Regional Municipality of York. This information is not exhaustive of all research

relevant to York Region. It is provided for reference purposes only. York Region accepts no liability for the consequences of any actions taken on the basis of the information provided.

For all inquiries and questions regarding this information, its dissemination and use, please contact CHSDataandPolicy@york.ca or visit www.york.ca. Accessible formats or communication supports are available upon request.

Organizations wishing to use any portion of this publication are requested to use the following citation when referencing this document:

The Regional Municipality of York, 2014. *Low Income Trends in York Region – 2000 to 2012*. Newmarket, Ontario.

