



Poverty Reduction Coalition



## POVERTY BY THE NUMBERS: KEY FACTS

### Purpose

The purpose of this brief is to present key statistics regarding Calgary’s low-income population and indicators of poverty based on recent Statistics Canada, Province of Alberta, and City of Calgary data.

Please note that for the purposes of this report, “poverty” is indicated by the Statistics Canada Low Income Cut-offs (LICO). Pre-tax LICOs are used unless otherwise specified.

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## Definitions

- The concept of income includes income received while an individual is a resident of Canada or as relevant for income tax purposes in Canada.
- Market income is the sum of earnings (from employment and net self-employment), net investment income, (private) retirement income, and the items under other income. It is also called income before taxes and transfers.
- Total income refers to income from all sources including government transfers, and before deduction of federal and provincial income taxes. It may also be called income before tax (but after transfers).
- After-tax income is total income less income tax. It may also be called income after tax.

## LICO Cutoffs

In Calgary, many households have incomes low enough to be considered as living in 'poverty'. In Canada, official examinations of poverty tend to use the Low Income Cut-offs (LICO's), commonly referred to (but not officially) as the "poverty line", as calculated by Statistics Canada.

According to this definition of poverty, a household is poor if it spends at least 20% more than the average Canadian household on the basic necessities of food, clothing and shelter. Statistics Canada has determined that the average Canadian household spends 34.7% of its income on these basic necessities. Therefore, a family is 'poor' if it spends 54.7% or more of the average income on these basic necessities (City of Calgary (2005) Indices of Community Well-Being for Calgary Community Districts).

Table 1: Low income cut-offs (1992 base) after tax

Size of family unit	Community size				
	Rural areas	Urban areas			
		Less than 30,000 <sup>1</sup>	30,000 to 99,999	100,000 to 499,999	500,000 and over
		\$			
<b>2004</b>					
1 person	11,025	12,617	14,075	14,253	16,853
2 persons	13,418	15,357	17,131	17,347	20,512
3 persons	16,709	19,121	21,332	21,601	25,542
4 persons	20,844	23,856	26,613	26,948	31,865
5 persons	23,736	27,165	30,305	30,686	36,285
6 persons	26,324	30,127	33,610	34,032	40,241
7 or more persons	28,912	33,089	36,913	37,378	44,197
<b>2005</b>					
1 person	11,264	12,890	14,380	14,562	17,219
2 persons	13,709	15,690	17,502	17,723	20,956
3 persons	17,071	19,535	21,794	22,069	26,095
4 persons	21,296	24,373	27,190	27,532	32,556
5 persons	24,251	27,754	30,962	31,351	37,071
6 persons	26,895	30,780	34,338	34,769	41,113
7 or more persons	29,539	33,806	37,713	38,187	45,155

Table 2: Low income cut-offs (1992 base) before tax

Size of family unit	Community size				
	Rural areas	Urban areas			
		Less than 30,000 <sup>1</sup>	30,000 to 99,999	100,000 to 499,999	500,000 and over
		\$			
<b>2004</b>					
1 person	14,000	15,928	17,407	17,515	20,337
2 persons	17,429	19,828	21,669	21,804	25,319
3 persons	21,426	24,375	26,639	26,805	31,126
4 persons	26,015	29,596	32,345	32,546	37,791
5 persons	29,505	33,567	36,685	36,912	42,862
6 persons	33,278	37,858	41,375	41,631	48,341
7 or more persons	37,050	42,150	46,065	46,350	53,821
<b>2005</b>					
1 person	14,303	16,273	17,784	17,895	20,778
2 persons	17,807	20,257	22,139	22,276	25,867
3 persons	21,891	24,904	27,217	27,386	31,801
4 persons	26,579	30,238	33,046	33,251	38,610
5 persons	30,145	34,295	37,480	37,711	43,791
6 persons	33,999	38,679	42,271	42,533	49,389
7 or more persons	37,853	43,063	47,063	47,354	54,987

## Social Assistance

- In Calgary, there were 113,000 poor individuals who were **not receiving any of the 3 provincial or federal income support benefits** (Income Support, Assured Income for Severely Handicapped or Guaranteed Income Supplement) in 2003 (City of Calgary, Socio-economic Outlook 2005-2010).
- The percentage of **seniors receiving GIS benefits** has been increasing. In 2001, 27.7% of seniors were receiving the GIS, by 2004 the percentage increased to 29.1% (Human Resources & Employment 2004).
- The number of **Calgarians receiving Support for Independence (SFI)** benefits declined to 10,119 in 2005 from 12,177 in 2004 (Alberta Human Resources & Employment 2005).
- The number of **AISH (Assured Income for Severely Handicapped) recipients** increased to 11,854 Calgarians in 2005 from 11,018 in 2004 (Alberta Human Resources & Employment 2005).

### Social assistance statistics, 2000-2005

	2000	2001	2002	2003	2004	2005
Supports for Independence (SFI)/Alberta Works Income Support (Alberta Human Resources and Employment)	11,883	10,832	11,235	12,374	12,177	10,119
Assured Income for the Severely Handicapped (AISH) (Alberta Human Resources and Employment)	11,078	10,342	10,816	11,250	11,018	11,854
Guaranteed Income Supplement (GIS) (Human Resources and Social Development Canada)	21,647	21,811	23,523	24,288	25,178	26,100
<b>TOTAL</b>	<b>44,608</b>	<b>42,985</b>	<b>45,574</b>	<b>47,912</b>	<b>48,373</b>	<b>48,073</b>

## Calgary Poverty Indicators

- **127,000** people were living in poverty in Calgary in 2004 (Statistics Canada, Income Trends 2004).
- **The rate of poverty has remained similar throughout the 2000s. 13.4%** of Calgarians were living in poverty in 2004. This is very close to the 2000, 2001, and 2002 levels and lower than the 2003 rate (Statistics Canada, Income Trends 2004).

### Number & percentage of low-income Calgarians, 2000-2004

Year	2000	2001	2002	2003	2004
<b>Number</b>	114, 000	114, 000	128, 000	157, 000	127, 000
<b>Percentage</b>	13.3%	13.1%	13.7%	16.7%	13.4%
Statistics Canada, Income Trends 2004					

(Note that Statistics Canada has issued a caution regarding the use of the 2004 Income Trends data. It is more accurate to note that estimations of 3 year trends would give a better sense of the rate of poverty in Calgary).

- **Children under 18 years old are more likely to be poor than all other age groups.** 15.9% of Calgarians **under 18 years old** were poor in 2004 (Statistics Canada, Income Trends 2004).
- 8.4% of Calgarians **65 years and older** lived in poverty in 2004 (Statistics Canada, Income Trends 2004).
- **Females were more likely to be poor than males.** 12.3% of males in comparison to 14.5% of females were poor in 2004 (Statistics Canada, Income Trends 2004).

## Age & sex

<b>Low-income persons, Calgary, 2004, low income cut-offs before tax, 1992 base</b>		
	Percentage	Number
All persons	13.4%	127, 000
Persons under 18 years	15.9%	N/A
Persons 18 to 64 years	13.2%	88, 000
Persons 65 years and over	8.4%	N/A
Statistics Canada, Income Trends 2004		

<b>Low-income persons, Calgary, 2004, low income cut-offs before tax, 1992 base</b>		
	Percentage	Number
<b>Males</b>	<b>12.3%</b>	<b>61, 000</b>
Males, under 18 years	16.3%	N/A
Males, 18 to 64 years	11.5%	40,000
Males, 65 years and over	8.8%	N/A
<b>Females</b>	<b>14.5%</b>	<b>66,000</b>
Females, under 18 years	15.6%	N/A
Females, 18 to 64 years	15.1%	48,000
Females, 65 years and over	8%	N/A
Statistics Canada, Income Trends 2004		

## Unattached Individuals

- There were 48,000 poor, unattached individuals in 2004; 32.5% of unattached individuals were poor (Statistics Canada, Income Trends 2004).
- Unattached individual females were more likely to be poor than males (38.9% low income individual unattached females vs. 28.1% low income individual unattached males) Statistics Canada, Income Trends 2004).
- 42.1% of unattached individual females under 65 were poor, as opposed to 27.2% of elderly females or 27.1% of males under 65 years old (Statistics Canada, Income Trends 2004).

<b>Low-income persons, Calgary, 2004, low income cut-offs before tax, 1992 base</b>		
	Percentage	Number
<b>Unattached individuals</b>	<b>32.5%</b>	<b>48,000</b>
Unattached individuals, males	28.1%	25,000
Unattached individuals, females	38.9%	23,000
<b>Unattached individuals, elderly persons</b>	<b>32.1%</b>	<b>N/A</b>
Unattached individuals, elderly males	N/A	N/A
Unattached individuals, elderly females	27.2%	N/A
<b>Unattached individuals, under 65 years</b>	<b>32.5%</b>	<b>43,000</b>
Unattached individuals, males, under 65 years	27.1%	23,000
Unattached individuals, females, under 65 years	42.1%	20,000
Statistics Canada, Income Trends 2004		

## Aboriginal

- In 2001, 31.8% of Aboriginal people in Calgary were poor; there were 6,165 such individuals in 2001 in Calgary (Census 2001).

Low-income groups by characteristic, Calgary, Census 2001				
	Total population		Low-income population	
	Number	Percentage	Number	Percent
Total population	868,810		129,100	14.9%
Aboriginal identity population	19,400	2.2%	6,165	31.8%
All others	849,410	97.7%	122,945	14.5%
Statistics Canada, Census 2001				

## Visible Minority

- There were 37,000 visible minority group members who were poor in 2001 in Calgary; 22.8% of visible minority members in Calgary were poor (Census 2001).

Low-income groups by characteristic, Calgary, Census 2001				
	Total population		Low-income population	
	Number	Percentage	Number	Percent
Total population by visible minority groups	868,810		129,105	14.9%
Visible minority population	162,525	18.7%	37,000	22.8%
All others	706,290	81.3%	92,100	13.0%
Statistics Canada, Census 2001				

## Immigrants

- 19.4% of Calgary **immigrants** were poor in 2001. There were 36,760 such persons (Census 2001).
- Of this group, the most likely to be poor were **recent immigrants** who arrived between 1996 and 2001; 37.3% of them were poor in comparison to those who arrived before 1986 (13.2% were low income) (Census 2001).
- It seems that there is an **improvement in the income status of immigrants** related to their years in Canada. Those who had been in Canada for less than 5 years in 2001 were almost twice as likely to be poor than those who had arrived between 1991 and 1995. In fact, the percentage of low-income immigrants who arrived prior to 1986 is 1.7% lower than for average Calgarians (Census 2001).
- Non-permanent residents** had a high incidence of poverty, 38.8%, which is similar to that of recent immigrants in 2001. There were 2,775 such individuals in 2001 (Census 2001).

Low-income groups by characteristic, Calgary, Census 2001				
	Total population		Low-income population	
	Number	Percentage	Number	Percent
Total population by immigrant status	868,810		129,105	14.9%
Non-immigrants	671,805	77.3%	89,565	13.3%
Immigrants	189,840	22.7%	36,760	19.4%
Immigrated before 1986	100,050		13,220	13.2%
Immigrated between 1986-1990	22,470		4,085	18.2%
Immigrated between 1991-1995	31,965		6,255	19.6%
Immigrated between 1996-2001	35,360		13,205	37.3%
Non-permanent residents	7,160		2,775	38.8%
Statistics Canada, Census 2001				

### Activity Limitation

- 21.9% of Calgarians with activity limitations were low income. There were 27,775 such persons in 2001 (Census 2001).

Low-income groups by characteristic, Calgary, Census 2001				
	Total population		Low-income population	
	Number	Percentage	Number	Percent
Total population by activity limitation	868,810		129,105	14.9%
With activity difficulties/reductions	126,680	14.6%	27,775	21.9%
No difficulty with daily activities and no reduced activities	734,695	84.6%	99,590	13.6%
Not stated	7,440	0.9%	1,740	23.4%

**Note:** New disability questions were used in the 2001 Census. The new questions ask about difficulty in daily activities and activity reduction covering the components of home, work or school, and other activities. The wording of the new questions and their accompanying response categories are different from the disability questions and response options used in previous censuses. Results from the new 2001 disability questions are not comparable with results from the disability questions asked in previous censuses.

The new disability questions resulted in higher disability rates, as respondents found it easier to indicate some disability. The overall disability rate for Canada was 15.9% (4,715,600 individuals). Factors which account for the increases in the disability rates from 1996 include: the changes in the questions which allow more people to respond affirmatively, the aging population and the natural increase in disabilities.

### Low-Income Families

**Nearly 2 out of 10 Calgary families lived in poverty in 2004.** There were 72,000 poor Calgarian families in 2004. This represents 17.5% of all Calgarian families (Statistics Canada, Income Trends 2004).

**Lone-parent families were almost 10 times as likely to be poor than two-parent families.** 47.1% of lone-parent families were poor versus 5.1% of two-parent families (Statistics Canada, Income Trends 2004).

**Female-headed households are more likely to be poor.** 27.5% of female-headed families as opposed to 12.6% of male-headed families were poor (Statistics Canada, Income Trends 2004).

**Families headed by younger earners were 4 times more likely to live in poverty than those headed by 25 to 44 year olds.** There were 24,000 such families in 2004 (Statistics Canada, Income Trends 2004).

Low-income families, low-income cut-offs before tax, 1992 base, Calgary, Alberta in 2004		
	Number of families	Percentage of families
Total low-income families	72,000	17.5%
Head/major income earner, 24 years and under	24,000	56.9%
Head/major income earner, 25 to 34 years	N/A	12%
Head/major income earner, 35 to 44 years	N/A	13.6%
Head/major income earner, 45 to 54 years	N/A	9.8%
Head/major income earner, 55 to 64 years	N/A	17.2%
Head/major income earner, 65 years and over	N/A	15.1%
Head/major income earner, total males	34,000	12.6%
Head/major income earner, males under 65 years	31,000	12.6%
Head/major income earner, males 65 years and over	N/A	12.4%
Head/major income earner, total females	37,000	27.5%
Head/major income earner, females under 65 years	34,000	28.8%
Head/major income earner, females 65 years and over	N/A	19%

Statistics Canada, Income Trends 2004

<b>Average total income by family type, Calgary, 2004 constant dollars</b>	
	<b>Dollars</b>
All family units	72,400
Economic families, two persons or more	91,300
Elderly families	56,400
Elderly married couples	56,900
Other elderly families	N/A
Non-elderly families	95,500
Married couples	95,800
Married couples, no earners	N/A
Married couples, one earner	N/A
Married couples, two earners	101,400
Two-parent families with children	102,300
Two-parent families with children, no earners	N/A
Two-parent families with children, one earner	N/A
Two-parent families with children, two earners	106,300
Two-parent families with children, three or more earners	117,700
Married couples with other relatives	115,400
<b>Lone-parent families</b>	<b>40,900</b>
Male lone-parent families	N/A
Female lone-parent families	N/A
Female lone-parent families, no earners	N/A
Female lone-parent families, one earner	N/A
Female lone-parent families, two or more earners	N/A
Other non-elderly families	92,200

Statistics Canada, Income Trends 2004

## Earnings & Total Income

Despite the rising cost of living, particularly of housing, average total incomes and average earnings have seen minimal increases in the 2000s.

- The **average total income** of individuals was at \$38,600 in 2004; a \$900 rise from 2003 (Statistics Canada, Income Trends 2004).
- **Average earnings**, which were \$40,300 in 2004, rose by \$1,300 from 2003 (Statistics Canada, Income Trends 2004).

<b>Distribution of total income of individuals, constant dollars, 2000-2004, Calgary</b>					
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Average income	\$37,600	\$37,700	\$36,500	\$36,700	\$38,600
Median income	\$27,100	\$28,400	\$27,500	\$26,000	\$28,700
Number of persons	679,000	698,000	737,000	749,000	767,000

Statistics Canada, Income Trends 2004

<b>Distribution of Earnings, Calgary, 2004 constant dollars</b>	
Average earnings	\$40,300
Median earnings	\$30,100
Average total income	\$44,000
Number of all earners	626,000
Average earnings of full-year full-time workers	\$57,600
Number of full-year full-time workers	323,000
Percentage under \$5,000	12.3%
\$5,000 to \$9,999	8.1%
\$10,000 to \$14,999	9.8%
\$15,000 to \$19,999	6.1%
\$20,000 to \$24,999	5.5%
\$25,000 to \$29,999	7.4%
\$30,000 to \$34,999	7%
\$35,000 to \$39,999	6.7%
\$40,000 to \$44,999	4.9%
\$45,000 to \$49,999	5.1%
\$50,000 to \$59,999	7.2%
\$60,000 and over	19.9%
Statistics Canada, Income Trends 2004	

<b>Distribution of total income of individuals, 2000-2004 constant dollars</b>					
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Percentage under \$10,000 (including loss)</b>	<b>20.3</b>	<b>20.4</b>	<b>21</b>	<b>22.5</b>	<b>19.7</b>
Under \$5,000 (including loss) (Percent)	11.4	10.8	11.6	11.9	12
\$5,000 to \$9,999 (Percent)	8.9	9.6	9.3	10.5	7.7
<b>\$10,000 to \$19,999 (Percent)</b>	<b>19.6</b>	<b>16.5</b>	<b>18</b>	<b>18.8</b>	<b>18.1</b>
\$10,000 to \$14,999 (Percent)	9.8	8.9	10.5	10	9.4
\$15,000 to \$19,999 (Percent)	9.8	7.6	7.5	8.8	8.7
<b>\$20,000 to \$29,999 (Percent)</b>	<b>15.2</b>	<b>16.1</b>	<b>14.7</b>	<b>13.5</b>	<b>14.2</b>
\$20,000 to \$24,999 (Percent)	7.6	8.3	7.2	7.7	7.5
\$25,000 to \$29,999 (Percent)	7.6	7.8	7.5	5.8	6.7
<b>\$30,000 to \$39,999 (Percent)</b>	<b>11.8</b>	<b>13.6</b>	<b>12.4</b>	<b>12.3</b>	<b>13.4</b>
\$30,000 to \$34,999 (Percent)	6.2	7.1	7	6.1	7.4
\$35,000 to \$39,999 (Percent)	5.6	6.5	5.4	6.2	6.1
<b>\$40,000 to \$49,999 (Percent)</b>	<b>10.2</b>	<b>9.1</b>	<b>9.1</b>	<b>9.3</b>	<b>9.8</b>
\$40,000 to \$44,999 (Percent)	5.3	4.5	4.9	5.2	4.6
\$45,000 to \$49,999 (Percent)	4.8	4.6	4.3	4.1	5.2
<b>\$50,000 to \$59,999 (Percent)</b>	<b>6.3</b>	<b>5.5</b>	<b>6.3</b>	<b>7</b>	<b>6.6</b>
\$50,000 to \$54,999 (Percent)	3.6	3.5	3.9	4.1	3.9
\$55,000 to \$59,999 (Percent)	2.7	2	2.4	2.9	2.7
<b>\$60,000 and over (Percent)</b>	<b>16.6</b>	<b>18.8</b>	<b>18.5</b>	<b>16.6</b>	<b>18.1</b>
\$60,000 to \$64,999 (Percent)	2.1	2.9	3.1	2.3	2.7
\$65,000 to \$69,999 (Percent)	2.6	2.6	2.7	2	1.7
\$70,000 to \$74,999 (Percent)	1.9	2.7	2.3	2	2.7
\$75,000 to \$79,999 (Percent)	1.5	1.7	1.8	1.9	1.6
\$80,000 to \$84,999 (Percent)	1	1.2	1.7	1.1	2
\$85,000 to \$89,999 (Percent)	0.9	0.9	0.8	1	0.5
\$90,000 to \$99,999 (Percent)	1.2	1.3	1.8	1.1	1.5
\$100,000 to \$124,999 (Percent)	1.8	2.4	1.3	2.3	2.1
\$125,000 to \$149,999 (Percent)	1	1.3	0.9	0.7	0.9
\$150,000 and over (Percent)	2.4	1.9	2	2.1	2.4

Statistics Canada, Income Trends 2004

## Alberta Income Gap

The gap between rich and poor Albertans is increasing. From 1999 to 2004, the top 20% of Albertans' total income increased by 4.5% more than that of the bottom 20%.

- Over a five year time span (1999-2004), the lowest quintile's **total income** increased by 8.3% whereas the highest quintile's total income increased by 12.8%. This suggests that the income gap is increasing (Statistics Canada, Income Trends 2004).

The top 20% of Albertans had total incomes close to 10 times as much of the bottom 20%.

- In 2004, the bottom quintile of Albertans had an **average total income** of \$13,100 whereas the top quintile had an average total income of \$152,800 (Statistics Canada, Income Trends 2004).

In 2004, the bottom quintile of Albertans controlled only 4% of the total income, whereas the top quintile controlled 46%.

Alberta, all family units, total income, before tax					
	1999		2004		Change
	Share of income (Percent)	Average income (Dollars)	Share of income (Percent)	Average income (Dollars)	
<b>Total of quintiles</b>	<b>100%</b>	<b>59,600</b>	<b>100%</b>	<b>66,400</b>	<b>11.4%</b>
<b>Lowest quintile</b>	<b>4.1%</b>	<b>12,100</b>	<b>4%</b>	<b>13,100</b>	<b>8.3%</b>
Second quintile	9.8%	29,200	9.6%	31,900	9.2%
Third quintile	16.3%	48,600	16.1%	53,400	9.9%
Fourth quintile	24.4%	72,700	24.4%	81,100	11.6%
<b>Highest quintile</b>	<b>45.5%</b>	<b>135,500</b>	<b>46%</b>	<b>152,800</b>	<b>12.8%</b>

Statistics Canada, Income Trends 2004

When examining 2004 **after-tax incomes**, the bottom quintile of Albertans had an after-tax income of \$12,700 whereas the top quintile had an after-tax income of \$119,700.

In 2004, the bottom quintile of Albertans controlled 4.6% of the **after-tax income**, whereas the top quintile controls 43.3% of the after-tax income.

Over a five year time span (1999-2004), the lowest quintile's after-tax income increased by **8.5%** whereas the highest quintile's after-tax income increased by **16.8%**.

This suggests that after accounting for taxation, the **income gap is increasing over the five years**. This becomes more apparent when comparing the income gap based on after-tax income, which is higher in comparison to the total income. This trend is similar to what the national data suggests.

Alberta, all family units, after-tax income					
	1999		2004		Change
	Share of income (Percent)	Average income (Dollars)	Share of income (Percent)	Average income (Dollars)	
<b>Total of quintiles</b>	<b>100%</b>	<b>48,300</b>	<b>100%</b>	<b>55,200</b>	<b>14.3%</b>
<b>Lowest quintile</b>	<b>4.8%</b>	<b>11,700</b>	<b>4.6%</b>	<b>12,700</b>	<b>8.5%</b>
Second quintile	11%	26,600	10.6%	29,300	10.2%
Third quintile	17.2%	41,600	16.8%	46,400	11.5%
Fourth quintile	24.6%	59,400	24.7%	68,100	14.6%
<b>Highest quintile</b>	<b>42.4%</b>	<b>102,500</b>	<b>43.3%</b>	<b>119,700</b>	<b>16.8%</b>

Statistics Canada, Income Trends 2004