



FACT SHEET: POVERTY IN CALGARY

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INTRODUCTION

- The information in this fact sheet is intended to provide basic information on low-income Calgarians and focuses on demographics, income, housing, homelessness, food insecurity and social assistance, to give an overall picture of poverty in Calgary.
- This fact sheet uses both the Low-Income Cutoff (LICO) and the Market Basket Measure (MBM) to describe Calgary's low-income population. The LICO has long been used as a measure of poverty in Canada, while the MBM is a newer measure recently adopted by the federal government to provide another perspective on low income in Canada.

QUICK FACTS

- 12.5% of all individuals in Calgary lived below the Low-Income Cutoffs in 2000; 11.7% of children and 16.4% of seniors aged 65+ lived below the LICO
- Over 22,000 Calgarians relied on social assistance in December 2002 (SFI/AISH)
- 48,311 individuals received food hampers in 2002, up 11% from 2001
- 1,737 individuals were counted in the 2002 Count of Homeless Persons in Calgary (one night count of homeless individuals on the streets and in shelters), up 34% from 2000
- The average rent for a 2-bedroom apartment in Calgary was \$804 in 2002, up 2.7% from 2001; Calgarians earning minimum wage or receiving SFI, AISH or GIS could not afford average market rents
- Alberta has the lowest minimum wage in Canada (\$5.90 per hour)

LOW-INCOME CUTOFFS (LICO)

- Though definitions and measurements of poverty in Canada vary, one of the most widely used is the Low-Income Cutoff (LICO) level developed by Statistics Canada.
- Low-income cutoffs are determined from an analysis of the Family Expenditure Survey data. Statistics Canada (2003) defines LICOs as "income thresholds below which families will likely devote a larger share of income to the necessities of food, shelter and clothing than the average family would".
- Statistics Canada (Fellegi, 1997) stresses that while LICO levels are not "poverty lines," they do identify those who are substantially worse off than the average.

2002 Low-Income Cutoffs for Canadian Cities with 500,000+ Persons (based on 1992 base pre-tax income)	
Family Unit Size	LICO
1 person	\$19,261
2 persons	\$24,077
3 persons	\$29,944
4 persons	\$36,247
5 persons	\$40,518
6 persons	\$44,789
7 or more persons	\$49,060

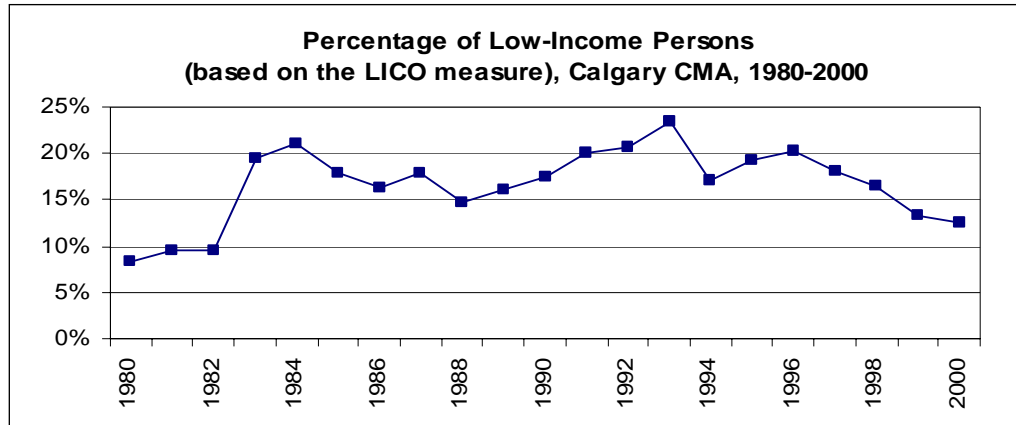
Source: Statistics Canada. (2003, February 5). *Low income cut-offs for 2002*. [The Daily](#).

MARKET BASKET MEASURE (MBM)

- The Market Basket Measure (MBM) is an absolute measure of low income in comparison to the Low-Income Cutoff (LICO) which is a relative measure (i.e. the MBM is based on a specific basket of goods and services, while the LICO is based on relative income levels).
- The MBM measures how many people live in families which lack the disposable income to purchase the goods and services in the "market basket" within their community; the "market basket" includes food, clothing, shelter, transportation, and other goods and services such as personal care, furniture, basic telephone service, school supplies, recreation, etc. (HRDC, 2003).

INCIDENCE OF POVERTY

- Although Calgary has one of the highest standards of living in the country, Statistics Canada (2002) estimated that **12.5% of Calgarians (109,000) were living below the Low-Income Cutoff (LICO) levels in 2000** (according to 1992 base pre-tax income).



Source: Statistics Canada. (2002). *Income Trends in Canada 1980-2000*

- The highest rates of poverty were among unattached seniors (i.e. singles living alone, with relatives, or with roommates), other unattached individuals, and children living in lone-mother families.
- Of all children under age 18 in Calgary, 11.7% were living below the LICO in 2000.
- 30.4% of children in female-headed lone-parent families were living below the LICO in 2000.
- 16.4% of all seniors and 46.2% of unattached seniors were living below the LICO in 2000.

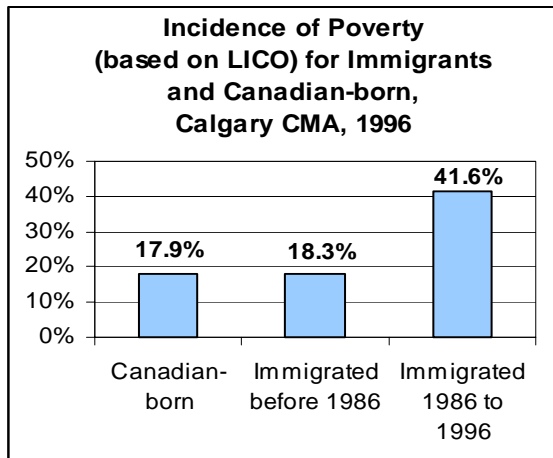
	1990		1995		2000	
	Calgary	Canada	Calgary	Canada	Calgary	Canada
All persons	17.5%	15.1%	19.2%	17.7%	12.5%	14.7%
Children and youth under 18 years of age	17.3%	17.4%	20.4%	20.7%	11.7%	16.5%
In two-parent families	10.4%	10.9%	14.2%	14.1%	9.9%	11.4%
In female lone-parent families	60.5%	62.8%	78.7%	61.9%	30.4%	47.6%
Persons aged 18 to 64 years	16.3%	13.2%	18.0%	16.3%	12.3%	13.7%
Seniors 65 years and over	27.6%	21.1%	26.4%	18.8%	16.4%	16.4%
Unattached seniors	69.9%	50.7%	69.2%	44.8%	46.2%	43.0%
Economic families	12.7%	11.9%	15.2%	14.4%	8.1%	11.2%
Unattached individuals	40.6%	37.9%	41.3%	39.5%	38.3%	37.3%

Source: Statistics Canada. (2002). *Income Trends in Canada 1980-2000*

- The incidence of poverty varies using the LICO and MBM measures. For a family of four in Calgary, the MBM establishes a lower income threshold than both the before-tax and after-tax LICOs.

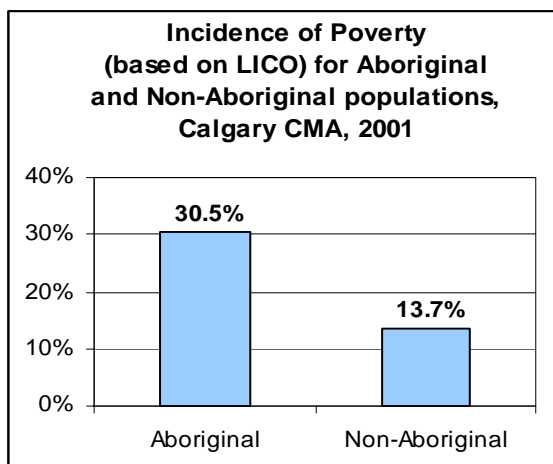
	MBM	LICO (Pre-Tax)	LICO (After-Tax)
Income Threshold (family of four), Calgary CMA	\$24,180	\$34,572	\$29,163
Persons living in poverty in Alberta	11.9%	13.6%	10.1%

INCIDENCE OF POVERTY (CONTINUED)



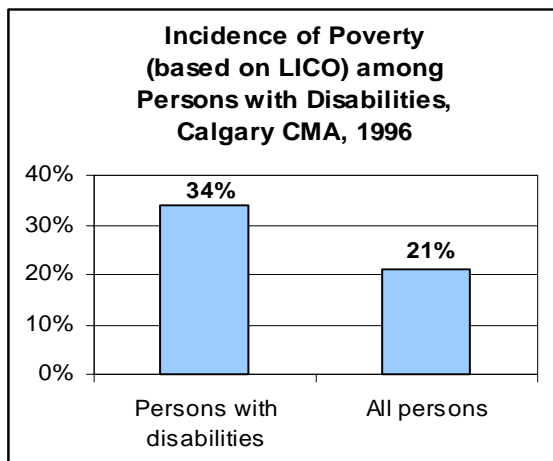
- The level of **poverty was much greater for recent immigrants** at 41.6% compared to 17.9% for Canadian-born Calgarians.
- For those immigrants that came to Canada before 1986, the poverty rate was only slightly higher than that of Canadian-born Calgarians.

Source: Statistics Canada, special tabulations from the 1996 census



- There are also differences in poverty rates between Aboriginal and non-Aboriginal Calgarians.
- In 2001, **Aboriginal people were more than twice as likely to be living below the LICO** than non-Aboriginal people.

Source: Statistics Canada, special tabulations from the 2001 census



- The incidence of **poverty among persons with disabilities** (i.e. limitations in the kind or amount of activity due to a long-term physical condition, mental condition, or health problem) is greater than the incidence of poverty among the total population.

Source: Canadian Council on Social Development, based on special tabulations from Statistics Canada's 1996 census

SOCIAL ASSISTANCE

- In December 2002, **11,235** Calgarians relied on **Supports for Independence (SFI)**, which provides income support and medical benefits; **10,816** Calgarians received **Assured Income from the Severely Handicapped (AISH)** allowances. (Alberta Human Resources & Employment, active social allowance caseload as at December 31, 2002).
- In June of 2002, **23,523** seniors were receiving **Guaranteed Income Supplement (GIS)** benefits.
- In 1993, the Alberta government tightened eligibility criteria for receiving SFI and reduced benefits by close to 20%. Since 1993, inflation has further eroded the value of SFI allowances. Increases to SFI rates for some families took effect in June and August 2003.
 - About 12,000 families in Alberta received a \$20 per month increase in SFI beginning June 1 2003, and received a \$15 per month per child increase beginning August 2003 when the federal government increased payments under the National Child Benefit Supplement (NCBS).
 - Single people and childless couples expected to work for pay did not see an increase in SFI allowances.
- According to the National Council of Welfare (2003), **the level of social assistance or welfare payments in Canada guarantee that recipients live below the Low-Income Cutoff (LICO) levels.**
 - In Alberta, a single employable person requiring social assistance (and related benefits) in 2002 received \$5,034; this represented only 26% of the LICO.
 - A single person with a disability received \$7,601 or 39% of the LICO.
 - For a single parent with one child, Alberta ranked lowest in the country for welfare income as a percentage of the LICO (\$11,634 or 48% of the LICO).
 - A couple with two children received \$18,412 or 51% of the LICO.

FOOD BANK USAGE

- According to data from the Calgary Inter-faith Food Bank (2003) **53,462 food hampers were distributed to 48,311 individuals in 2002**. This represented an increase of 11% from 2001 in the number of individuals served.
- Of all people who received hampers (including repeat visits), **41% were children and youth**.
- **Almost 40% of hampers distributed were received by individuals/families whose primary income source was wages**; 23.4% were received by SFI recipients; 8.6% were received by AISH recipients; 5.3% were received by people receiving Employment Insurance; the remaining hampers were distributed to people with other income sources (e.g. pensions, child support).
- Research findings have suggested that **the problem of food insecurity in Canada could be even greater than what food bank usage statistics indicate**. For example, only 31% of the 206

households reporting child hunger in the 1994 National Longitudinal Survey of Children and Youth reported using food banks as a way of coping with food insecurity (Tarasuk, 2001).

HOMELESSNESS

- According to the 2002 Count of Homeless Persons in Calgary (a count of homeless persons on the streets and in shelters on one night in mid-May, conducted every second year by The City of Calgary), there were **1,737 homeless individuals** in Calgary. This represented **an increase of 34%** from 2000.
- The number of homeless families counted in emergency shelters had increased even more; **42 families were homeless in the 2002 count, up 40%** from the previous count in 2000.
- The Calgary Homeless Foundation reported that of June 2003, there were 1,479 emergency shelter beds in Calgary, a decrease of 88 beds over previous months. There were also 1,085 transitional beds in 2003.

HOUSING

- **One in four Calgary households (renters and owners) are spending greater than 30% of their gross household income on housing costs** and therefore are at risk of becoming homeless.
- The **supply of rental housing in the formal market is decreasing and average rents are increasing**. The vacancy rate for market rental units was 2.9% in 2002.
- Canada Mortgage and Housing Corporation [CMHC] (2002) reports that the **average rent for a two-bedroom apartment was \$804 per month** (as of October 2002), up 2.7% from 2001.
- In 2002, **Calgarians earning minimum wage or receiving SFI, AISH or GIS could not afford average market rents** in the city (e.g. a single individual living alone and earning minimum wage needed an additional \$200 per month to afford average 2002 Calgary market rents).
- While The City of Calgary is committed to increasing the supply of non-market or social housing units, the demand continues to far outweigh the supply. According to CMHC's annual Rental Market Report (2002), **the vacancy rate for non-market or social housing rental units was only 0.6% in 2002**, the same rate reported in 2001.

MINIMUM WAGE

- At \$5.90 per hour, **Alberta's minimum wage in 2003 was the lowest in Canada**.
- **Individuals and families earning the minimum wage are living below the Low-Income Cutoffs**. A single individual working 40 hours per week will receive a gross annual salary of \$12,272, which was well below the Low-Income Cutoff of \$19,261 for a single person in 2002.

SOURCES

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ADDITIONAL INFORMATION

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The information, analysis, and opinions contained in this fact sheet are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. Where possible, the most recent data available have been used.