INCOMES AND POVERTY IN HAMILTON

There are enough people living in poverty in Hamilton to fill Copps Coliseum five times. According to Statistics Canada, almost 20% or 95,370 of Hamilton residents are living on incomes below the poverty line. This includes almost 25% of all children under the age of twelve.

Photo: "Protect Me" Nicola Giles-Morreale

This report considers the distribution of incomes in the City of Hamilton, and the level of poverty based on the most commonly reported measure – Statistics Canada's Low Income Cut-Off (LICO).

As a second measure of poverty, the report considers the benefit rates provided to individuals and families on Ontario Works (OW), - Ontario's primary income security program.

As you consider incomes and poverty in Hamilton, keep the following trends in mind:

- That over the past ten years income levels in Hamilton, particularly among low and middle income groups, have not kept pace with increases in the cost of housing, taxes, utilities, food and other essentials.
- That from 1990 to 2000 the wealthiest 40% of the population experienced an increase in their average incomes, while the poorest 60% of Hamiltonians experienced an overall decrease in theirs (this includes middle-income groups).
- That during the same ten-year period, labour market trends have resulted in a greater proportion of low-waged part-time, temporary or contract positions, with few or no benefits. This not only contributes to the instability of household incomes, it also results in additional costs to households for dental, vision and health-care, including prescription drugs.

Those among the lowest income groups understand the daily trade-offs and compromises required to live within their means. "Trade-offs" or "compromises" required among the poorest households in Hamilton, often involve decisions like paying the rent or buying food.

Think about what compromises you make day-to-day. What compromises would you have to make if, for some reason, you found yourself in a lower income group? What if you found yourself on social assistance?

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Incomes in Hamilton

While the average income among private households in Hamilton was $57,664 in 2000, almost 50% (or 29,842) of unattached individuals earned less than $20,000.

As for families, almost 20% (or 25,747) were living on $30,000 or less in 2000. During that same year however, almost the same number of families earned more than $100,000 (18.5%) as detailed in CHART 1.

Over time, the income gap in Hamilton is increasing. CHART 2 shows how distribution of incomes in Hamilton shifted between 1990 and 2000. Each bar on the graph represents 20% of all families in Hamilton, from lowest to highest incomes.

Those in the top 20% of families experienced an overall increase in their average income (2.7%), as did the second highest income group (0.4%).

At the other end of the scale, the poorest 20% lost ground, with a 1.3% decrease in their average income. This was also the case for the second and third lowest income groups, -1.2% and -0.4% respectively.

CHART 1

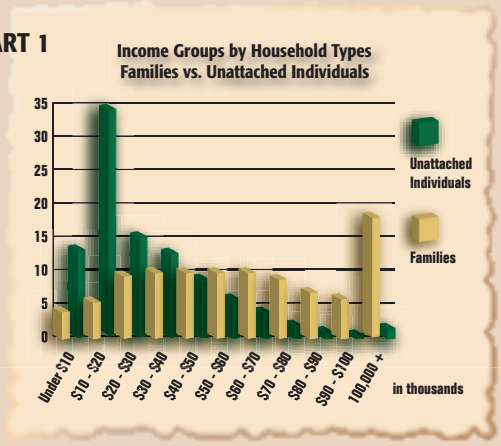
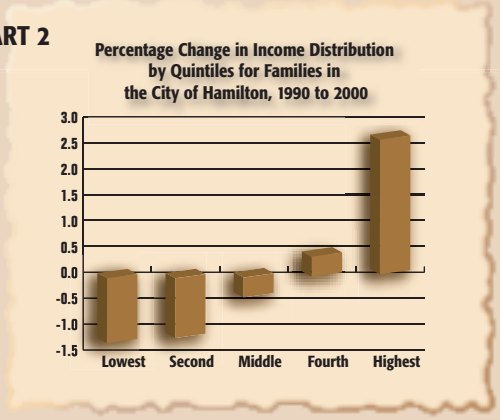


CHART 2



Source: Statistics Canada 2001 census data

Poverty in Hamilton

TABLE 1 shows that Low-Income Cut-Off (LICO) for a community the size of Hamilton by family size. The LICO is based on the average cost of housing, food and clothing. An additional 20% is then added to cover the costs of all other basic necessities. For example, the LICO for a single person in Hamilton is $16,979 annually.

In Hamilton, according to TABLE 2, 20% or 1 in 5 residents were living below the LICO in 2000. This represents 95,370 residents including children.

Unattached individuals fared much worse than the general population, with 28,211 or 46% of one-person households living below the poverty line.

Among families living in Hamilton, 21,762 or 16% were living in poverty in 2000. Some families however, had a much greater likelihood of living in poverty.

TABLE 1

Before-Tax Low-Income Cut-Offs (LICOs), 2003

Family Size:	Low-Income Cut-Off
1 person	$16,979
2 person	$21,224
3 person	$26,396
4 person	$31,952
5 person	$35,718
6 person	$39,483
7+ person	$43,249

Source: Statistics Canada 2001 census data

TABLE 2

Incidence of Low Income in Hamilton by Household Type

Population	Total	Low Income
Economic Families	135,510	21,762 (16%)
Unattached Individuals	61,530	28,211 (46%)
Population in Private Households	480,810	95,370 (20%)

Source: City of Hamilton Public Health and Community Services Department 2004

Among female-led, lone parent families for example, 81% of those with children younger than 6 years of age were living in poverty, as were 71% of those with children 6 to 9 years.

MAP 1 shows the distribution of female-led, lone parent families in Hamilton by municipal ward and census tract. While ward boundaries help to identify where a particular phenomenon is occurring, census tracts show the level or incidence of a variable or characteristic. For example, Wards 1 and 2 comprise the downtown core. MAP 1 shows that Hamilton's downtown is home to a disproportionate number of female-led, lone parent families. However, there are neighbourhoods throughout the city with high proportions of lone parent families.

MAP 2 shows the incidence of low-income persons in private households by municipal ward and census tract. Again, the highest concentrations of poverty are located in the downtown core, with pockets throughout the city.

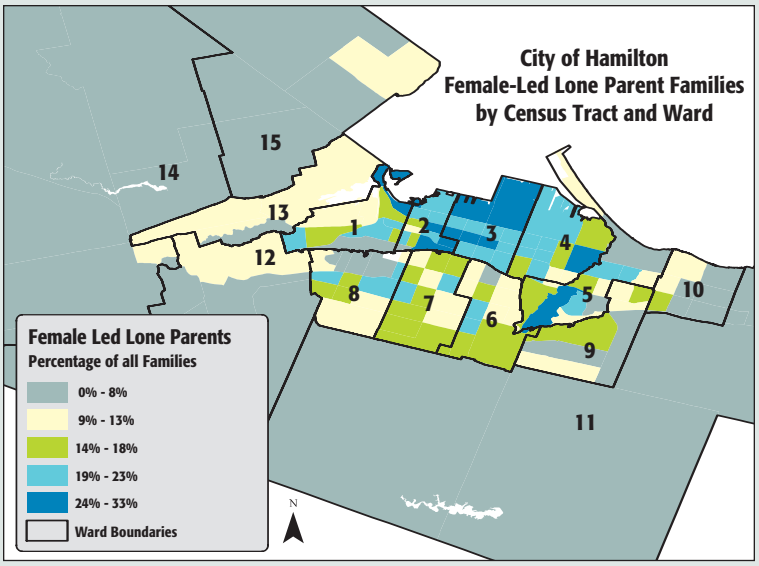
It is also important to note that some groups in our community experience much higher levels of poverty than the population as a whole. TABLE 3 shows the incidence of low income by select groups.

TABLE 3

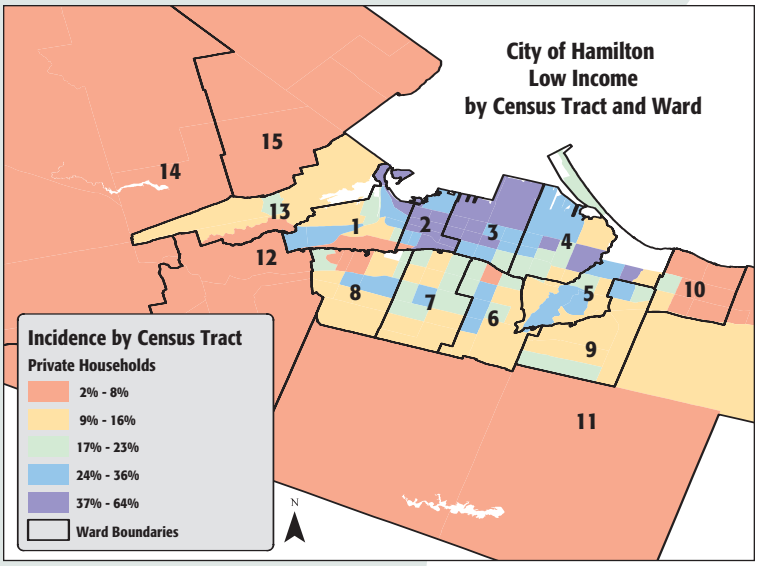
Incidence of Low-Income in Hamilton by Select Groups

Select Group	Incidence of Low-Income
Total Population	20%
With immigrant status	24%
Recent immigrants (between 1996 and 2001)	52%
With aboriginal status	44%
With visible minority status	37%
With activity limitation (disability)	30%
Seniors 75 years +	29%
Children under 12 years	25%

Source: Statistics Canada 2001 census data



MAP 1: The Proportion of Female-Led Lone Parent Families in Hamilton by Census Tract and Ward



MAP 2: Incidence of Low Income Persons in Private Households by Municipal Ward

MAPS – Source: Statistics Canada, Census Data 2001 Prepared by: Sandy Shaw, Social Planning and Research Council of Hamilton, 2004

Social Assistance and Poverty

Historically, social assistance benefit rates have provided short-term emergency incomes far below the poverty line or LICO. The primary income security program in Ontario, Ontario Works (OW), replaced General Welfare Assistance (GWA) in 1995, with an immediate 22% cut to the already low benefit rates. While the cost of living has increased by approximately 25% since 1995, benefit rates have only recently increased by 3%.

Hamilton's OW caseload total for April 2004 was 10,993. A "case" however, often refers to a family unit with two or more people. The number of actual beneficiaries for that same month was 25,411 including dependents.

TABLE 4 shows the monthly cost of a nutritious food basket for selected household types, and the average rents in Hamilton. It then compares the total cost of these basic necessities (food and shelter) to the monthly maximum income security benefits provided through OW and the federal government (National Child Benefit and Child Tax Credit) for specific household types.

The "remainder" column of TABLE 4 represents the amount a particular household has left to cover other basic necessities, which may include heat, hydro, telephone, clothing, laundry, toiletries, cleaning supplies, school related costs and other unexpected expenses.

Given the inadequacy of current Ontario Works benefit rates, most households on OW are dependent on local food banks to survive.

Given the high and rising cost of rent in Hamilton, these households are often forced into housing that is substandard.

In Hamilton, 8.6% of children, 0 to 18 years, are being raised in families, that are at least temporarily, on OW (10,448 in total). Under these conditions, families will struggle to provide a healthy environment.

Almost half of these children (4,878) are between the ages of 0 and 6 years. While these are considered to be formative years, local research suggests that these children are often exposed to the family stress related to the risk of homelessness, and often do not receive daily nutritional requirements.

A goal of the Social Planning and Research Council (SPRC) is to strengthen the community's understanding of social problems. We hope that this report will help to educate the public and stimulate discussion about what it means to be "poor", how the gap in incomes is growing, and the day-to day impacts on individuals, families and children in our community.

TABLE 4

Maximum Income Security Benefits versus the Cost of Rent and Food - 2002

Household Type	Monthly Benefits	Monthly Cost of Food Basket	Average Monthly Rent	Remainder
Single male (25-49 yrs)	$536	$187	$495 (bachelor apt.)	-$146
Lone parent female (25-49 yrs.), boy (10-12)	$1,106	$212	$737 (1 bdrm. apt.)	$157
Family of four – man & woman (25-49 yrs), girl (10-12), boy (7-9)	$1,452	$514	$872 (2 bdrm. Apt.)	$66

Source: Monthly Ontario Works benefit rates – City of Hamilton Public Health and Community Services Department 2004
Source: Cost of a nutritious food basket – City of Hamilton Public Health and Community Services Department 2004
Source: Average monthly rents – Canadian Mortgage and Housing Corporation - 2003
Source: NCB and Child Tax Credit rates – 2004

TABLE 5

Number of Dependent Children in Receipt of Ontario Works in the City of Hamilton – 2003

	Population		% of Total Population
	Ontario Works	Hamilton	Ontario Works
Total 0 to 18 years	10,448	121,280	8.6%
0 to 6 years	4,878	41,130	11.9%
7 to 12 years	3,430	40,250	8.5%
13 to 18 years	2,140	39,900	5.4%

Source: City of Hamilton Public Health and Community Services Department 2004

To see a more detailed report, please visit our website at www.sprc.hamilton.on.ca