

2013 Report Card on Child and Family Poverty in Nova Scotia: 1989–2011

Lesley Frank



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
NOVA SCOTIA OFFICE



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
CENTRE CANADIEN
de POLITIQUES ALTERNATIVES

ISBN 978-1-77125-093-1

This report is available free of charge at www.policyalternatives.ca. Printed copies may be ordered through the CCPA National Office for \$10.

PLEASE MAKE A DONATION...

Help us to continue to offer our publications free online.

With your support we can continue to produce high quality research—and make sure it gets into the hands of citizens, journalists, policy makers and progressive organizations. Visit www.policyalternatives.ca or call 613-563-1341 for more information.

The opinions and recommendations in this report, and any errors, are those of the authors, and do not necessarily reflect the views of the publishers or funders of this report.



This report is being released in partnership with Campaign 2000

www.campaign2000.ca



END CHILD & FAMILY POVERTY IN CANADA

ABOUT THE AUTHORS

Dr. Lesley Frank is an Assistant Professor in the Department of Sociology at Acadia University. She is also a CCPA-NS Research Associate and has co-authored or single authored the Child Poverty Report Card for Nova Scotia for ten years. Dr. Frank is a sociologist researching in the area of family poverty, food insecurity, and health inequity. She has also worked as a community-based researcher and spent several years providing pre-natal services to women living in low-income circumstances.

ACKNOWLEDGEMENTS

The author would like to thank Brittany Pulsifer, honours student in Sociology at Acadia University, for her help in data checking and the preparation of this report. Also thank you to Stella Lord, Research Associate of CCPA-NS and coordinator of the Community Society to End Poverty in Nova Scotia (CSEP-NS), for providing insight and support throughout the completion of this report. Thanks are also owed to members of the Campaign 2000 National Steering Committee for their ongoing discussion and work related to the release of National and Provincial Child Poverty Report Cards. Thanks also to the anonymous reviewers for their comments.

DATA SOURCES

Unless otherwise stated the information in this report is drawn from three key sources:

- Statistics Canada, Income in Canada—2011
- National Council of Welfare, Welfare Incomes 2011 (unpublished data, yet shared with partners due to the closing of the Council)
- Qualitative data from the study by the author titled, *Got Milk?: The public policy relation of infant food insecurity in Canada*.

The author has prepared all figures, tables and related calculations in this report. Sources used to produce figures and tables are noted.

- 5 Preamble
- 6 Background
- 8 The Record 1989–2011: Virtually Unchanged
- 11 Who Are the Most Vulnerable?
- 15 Impact of Government Transfers
- 17 Ending Child Poverty
- 21 **Appendix A: A Note About Poverty Measures**
- 23 **Notes**

2013 Report Card on Child and Family Poverty in Nova Scotia: 1989–2011

Preamble

I have contributed as an author of the Nova Scotia Child Poverty Report card for ten years. At the beginning I took on this task out of deep concern for the families I was working with as an outreach worker in the Annapolis Valley. I and my colleagues were driven to call attention to the unjust and deplorable circumstances poverty created for the families we worked with; the lack of food, poor housing, cold houses, isolation, and lack of opportunity, worry and despair. I no longer work in the community, governments have come and gone, a poverty reduction strategy was created and ignored, and there has been piecemeal increases to government supports and marginal tax adjustments in an attempt to lower poverty rates. Yet here I am, still writing this report card that tracks progress on a twenty-two year old promise of child poverty eradication passed unanimously in the House of Commons on November 24, 1989.

While I have witnessed a fair amount of change in ten years, this report card demonstrates that the end story has remained the same. There are far

too many children and families who struggle to make ends meet and the ends are not meeting. I have to admit that I have grown weary with the task. When you do something for ten years that was first motivated by a passionate concern for social justice, and no justice comes, it is hard to keep going sometimes. But then I think, I have groceries in the fridge, a job (at least for now), my kids are not hungry at school, they will have winter coats and my income allows for opportunities. So I write this report card another year for my Nova Scotia neighbors who may go without food to heat their homes this winter in the hope that someone is listening.

Another concern with producing this report card is the erosion of data quality. Year after year, there is less and less *to report*, particularly for small provinces like Nova Scotia. Reporting the child poverty rates is still possible with available statistics; however statistics for sub-populations which we know experience higher rates of child poverty are increasingly non-existent due to reduced sampling. Changes made by the federal government to the long form census will further erode our ability to track child poverty.

This House “seek(s) to achieve the goal of eliminating poverty among Canadian children by the year 2000”.

—*House of Commons, November 24, 1989*

Background

Since 1999, Nova Scotia Child Poverty Report Cards have recorded changes in child poverty rates to track progress on the resolution to end child poverty by the year 2000 passed in the House of Commons on November 24, 1989. We now have twenty-two years of poverty statistics (2011 being the most recent data available) to analyze. The promise was not realized. In fact, in 2000 the child poverty rate in Nova Scotia was higher than in 1989. With 29,000 children living below the After-Tax Low-Income Measure (LIM-AT) in 2011, we are far from realizing child poverty eradication in Nova Scotia.

The UNICEF Innocenti Research Centre (2012) *Report Card 10: Measuring Child Poverty* provides some context for the condition of child poverty in Canada relative to other high income countries. Canada is lagging behind with a child poverty rate that places us 24th out of 35 industrialized coun-

tries. UNICEF's report also indicates that comparatively, Canada's policy efforts are only marginally effective in lowering child poverty rates. The most recent statistics on Canadian child poverty shows **Nova Scotians have the fifth highest provincial rate of child poverty (17.3%).**

What does the child poverty rate mean? It means the percentage of children under the age of 18 that live in low income circumstance as determined by some quantifiable measure of poverty. In Canada there are three widely used measures to track poverty statistics. It is argued that all three have their shortcomings and Canadian governments have not adopted any one in particular as an official measure of poverty. In light of this, and due to an increasing problem with data quality for small province such as Nova Scotia, the After-Tax Low Income Measure (AT-LIM)¹ is used where possible in this report as it is the most recognized as a sound measure of poverty. This measure is used by UNICEF, the Organization for Economic Cooperation and Development, the United Nations and the European Union for international comparisons. In instances where AT-LIM data are not available for Nova Scotia due to data quality issues, other available data are used.

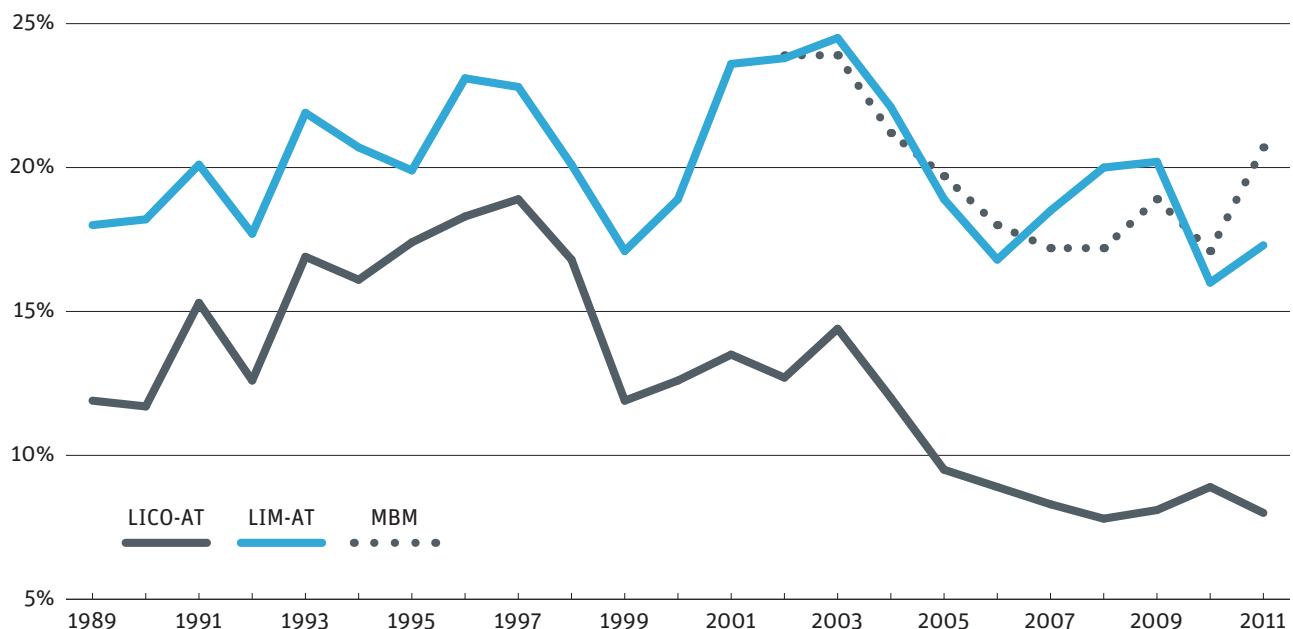
Statistics can tell us how many children in Nova Scotia are living in low income circumstances, how this has changed over time (or not), and which families are the most vulnerable. Statistics do not provide insight into how poverty is actually experienced by families. The quotes throughout this report card come from personal stories told to me by Nova Scotian families during interviews I conducted throughout the province in 2011.² It is important to note that child poverty cannot be divorced from family poverty as poor children have mothers and/or fathers living in the same circumstances.

Child and family poverty is one aspect of a broader story of poverty in Nova Scotia-a story that includes people with disabilities, seniors, students, single people, and people that are generally unrepresented by statistics such as the homeless or underrepresented such as First Nations people or visible minorities. A focus on child poverty remains important because long-term inadequate material resources, income inequality and lack of opportunity are major barriers to the healthy development of children, compromising their long-term health and educational outcomes. Evidence sug-

People don't think that there are hungry kids out there...there definitely are.

—Nova Scotian Mother

FIGURE 1 Child Poverty Rates by Three Different Measures, Nova Scotia, 1989–2011



Source Prepared using: Statistics Canada, Income in Canada—2011.

gests that children living in low-income circumstances typically suffer from multiple disadvantages throughout their lives including poorer educational outcomes, poorer health, compromised nutrition, and higher rates of delinquency.³ Nevertheless, we must also recognize that child poverty eradication depends on improving the circumstances of low-income parents. This is essential for the well-being of our most vulnerable citizens and the collective well-being of our communities and Canadian society as a whole.

The Record 1989–2011: Virtually Unchanged

Figure 1 shows the trend in child poverty rate since 1989 using the AT-LIM. Over the last twenty-two years, we have seen a ‘yo-yoing’ of the child poverty rate whereby rates have risen and fallen repeatedly yet the net result is a failure to lower child poverty much beyond where it stood in 1989 when 18.3% of Nova Scotian children were living in low-income families. For example, child poverty rose to an alarming rate of 23.1% in 1996, fell to 17.1% in 1999, and rose again to its peak in 2003 with a rate of 24.5%. Between 2004 and 2011 the rise and fall of rates continued. In 2011 the child poverty rate in

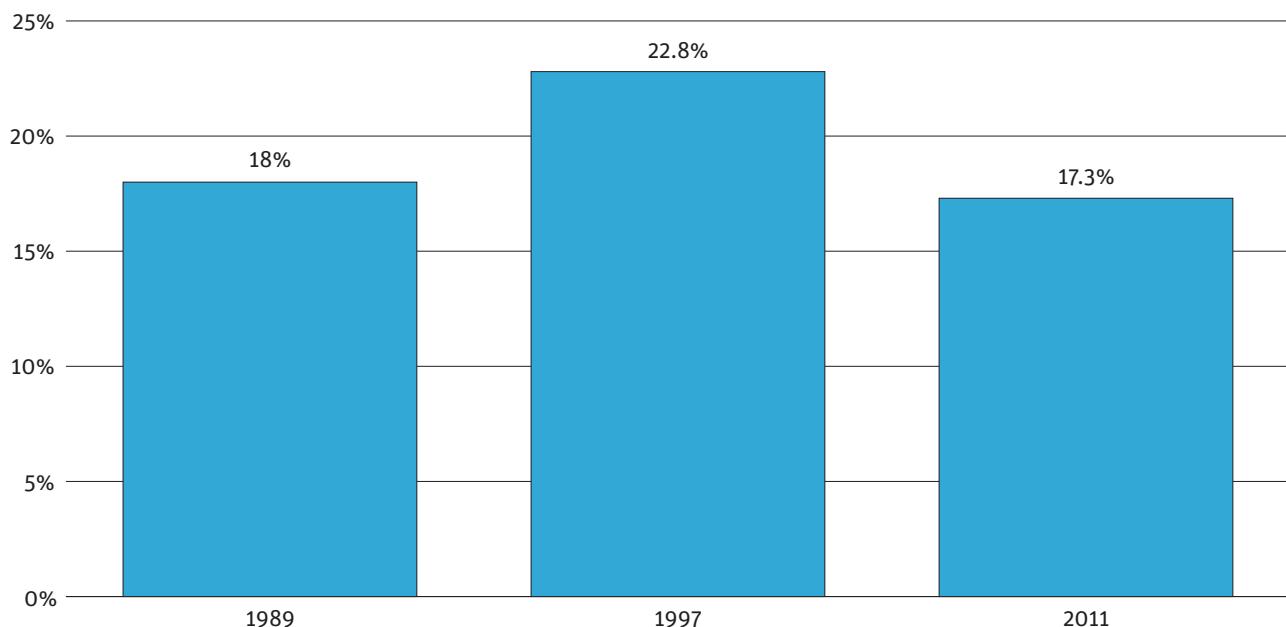
Nova Scotia was only marginally lower (17.3% compared to 18.0%) than it was in 1989, the year the promise to end child poverty was made. *Figure 1* also shows the trend in child poverty rates in Nova Scotia using three different measures of poverty, comparing the AT-LIM to the After Tax Low Income Cut Off (AT-LICO) and the Market Basket Measure (MBM) which was created in 2002. (For a fuller description of these measures, see Appendix A.) Regardless of which poverty measure is used, the rise and fall of child poverty rates is similar, except for what appears to be more consistent downward trend in child poverty since 2003 as measured by the AT-LICO. Both the AT-LIM and the MBM echo the increase in child poverty seen with the LICO between the years 1999–2003, yet show a second increase beginning in 2006.

The difference between rates of child poverty and the number of children living in poverty based on these three measures is quite striking in Nova Scotia in 2011 in particular. While the MBM reports a Nova Scotia child poverty rate of 20.7% (more than 1 in 5 children or 35,000 children), the AT-LICO reports a child poverty rate of 8% (13,000). The discrepancy between the child poverty rate based on the AT-LICO and the AT-LIM is partially due to the current limitations of the AT-LICO. The AT-LICO is a poverty measure based on the percentage of children that are in families needing to devote a larger share of their income (20% more) on basic necessities compared to the average family (depending on size of family and size of the community in which the family resides). Current LICO thresholds are based on the spending patterns of Canadian that were last calculated in 1992. Any changes in the proportion of income Canadians spend on necessities such as food, housing, and energy costs since 1992 are not reflected in the AT-LICO. Therefore if the average family is actually spending a higher proportion on necessities since 1992, the poverty rate based on the AT-LICO would under-represent families living in straightened conditions. The MBM measures child poverty based on actual living costs in different communities, estimating the disposable income required to meet basic needs. This measure may better take into account the cost of living relative to incomes in Nova Scotia.

Figure 2 shows the Nova Scotia child poverty rates in three key years in Nova Scotia: 1989, the year the promise was made; 1997, the year the Canada Child Tax Benefit (CCTB) was implemented—an initiative specifically

I'm on my own with four kids so I have to pay everything. —Nova Scotian Mother

FIGURE 2 Child Poverty Rate (AT-LIM), Nova Scotia, 1989, 1997 and 2011



Source Prepared using: Statistics Canada, Income in Canada–2011 (AT-LIM)

designed to prevent and reduce family and child poverty; and 2011, the year for which we have the most recent statistics. In 2011, 17.3% of children were living in families with incomes below the AT-LIM. The lower rates in 2011 compared to the historically high rates in 1997 can be largely attributed to the positive impact of the Canada Child Tax Benefit. A reduction in the percentage of children who experience poverty largely occurred during the period 1997–2011. However the overall decline in the child poverty rate since the late 1990s was only marginal compared to the rate in 1989. Progress appears stalled in the absence of effective measures to reduce the initial child poverty rate already being experienced in 1989. In other words, the CCTB prevented child poverty from increasing, but failed to eradicate child poverty.

Table 1 uses the AT-LIM to record the overall increase or decrease in child poverty rates over the period spanning 1989 and 2011. It ranks Nova Scotia's performance relative to the other provinces and provides averages for Canada.

Between 1989 and 2011, child poverty rates decreased in seven provinces and increased in three. Nova Scotia had the fifth highest child poverty rate in Canada and was sixth in performance on decreasing child poverty rates. Five provinces performed better, showing greater decreases in child

TABLE 1 Prevalence and Changes in Child Poverty Rates:
Canada and Provinces Ranked Best to Worst, 1989 and 2011, After-Tax LIM

	1989	2011	Change 1989–2011
Ontario	9.9%	13.8%	+39.4%
British Columbia	12.7%	19.9%	+56.7%
Quebec	13.9%	12.6%	-9.4%
Alberta	15.9%	10.2%	-35.8%
Nova Scotia	18.0%	17.3%	-3.9%
New Brunswick	18.8%	12.2%	-35.1%
Prince Edward Island	19.7%	19.1%	-3.0%
Manitoba	21.0%	22.4%	+6.7%
Newfoundland and Labrador	21.9%	18.0%	-17.8%
Saskatchewan	23.6%	14.4%	-39.0%
Canada	13.7%	14.3%	+4.4%

Source Prepared using Statistics Canada, Income in Canada-2011 (AT-LIM)

poverty rates (from 40% to 9.4%) than Nova Scotia, which only saw a decrease of 3.9%. The net result for Canada was an *increase* of 4.4% in child poverty (from 13.7% in 1989 to 14.3% in 2011).

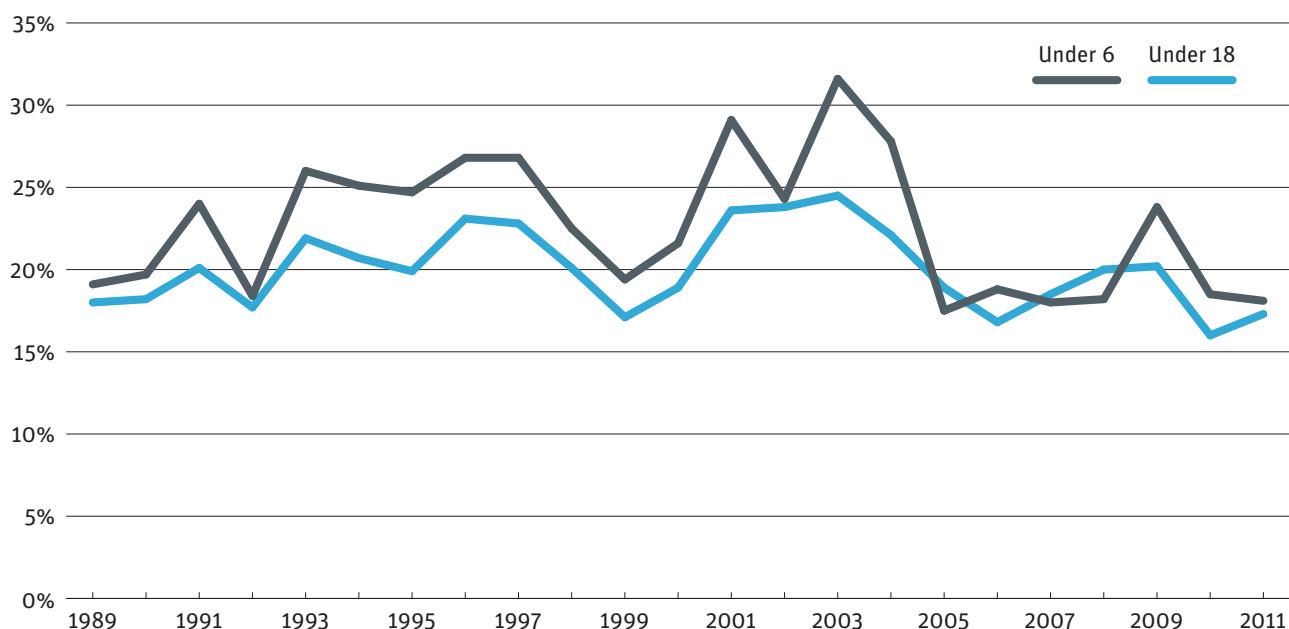
Who Are the Most Vulnerable?

Children of Aboriginal Identity, Racialized Children and Immigrant Children

Unfortunately, low-income data for selected groups of children in Nova Scotia are unavailable. Census data used to be able to provide demographic breakdown of poverty rates for disabled, aboriginal, racialized, and immigrant children in Canada as a whole. Analysis of 2006 census showed higher child poverty among these groups. For example, these groups were at a three-fold risk or higher of living in poverty when compared to Canadian children as a whole. The highest child poverty rate (**50%**) in Canada was experienced by status First Nations children whereby half lived below the poverty line.⁴

In 2010 the federal government cancelled the Long Form Census and replaced it with the voluntary National Household Survey, which has been

FIGURE 3 Child Poverty Rate by Age Group (AT-LIM), Nova Scotia, 1989–2011



Source Statistics Canada's Survey of Labour and Income Dynamics Masterfile, 2011

criticized for reporting unreliable data due to sampling problems. We no longer have the mechanism for tracking accurate poverty rates for select social groups.

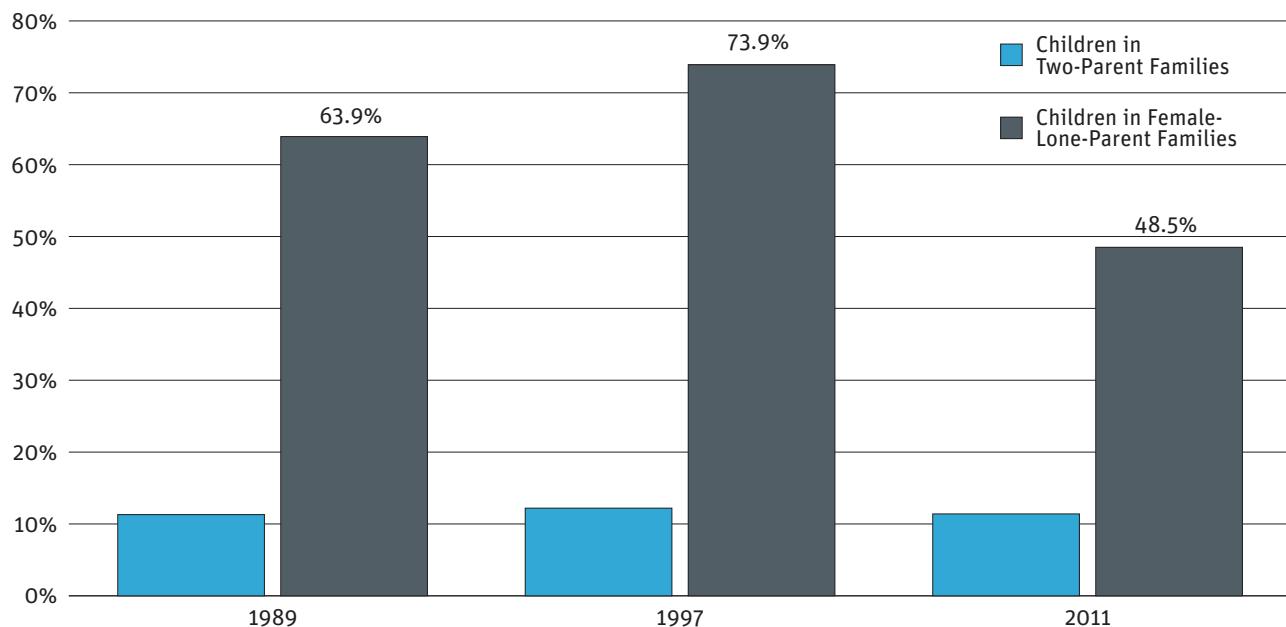
Young Children

Figure 3 compares the child poverty rate for children under six with all children under 18 using the AT-LIM. It shows that poverty rates in families with younger children (under six) tend to be higher. In the years from 2005–09 we see similar rates for both age groupings, yet from 2009 to 2011 the rate was once again higher for families with children under six, where 18.1 of these children (close to one in five) lived in low income circumstances.

Female Lone Parent Families

There have been significant decreases in child poverty rates for female lone parent families particularly since 1997 as *Figure 4* shows. However, children living in female lone-parent families continue to experience a much greater

FIGURE 4 Child Poverty Rate (AT-LIM) by Family Type, Nova Scotia, 1989, 1997 and 2011



Source Prepared using: Statistics Canada, Income in Canada–2011 (AT-LIM)

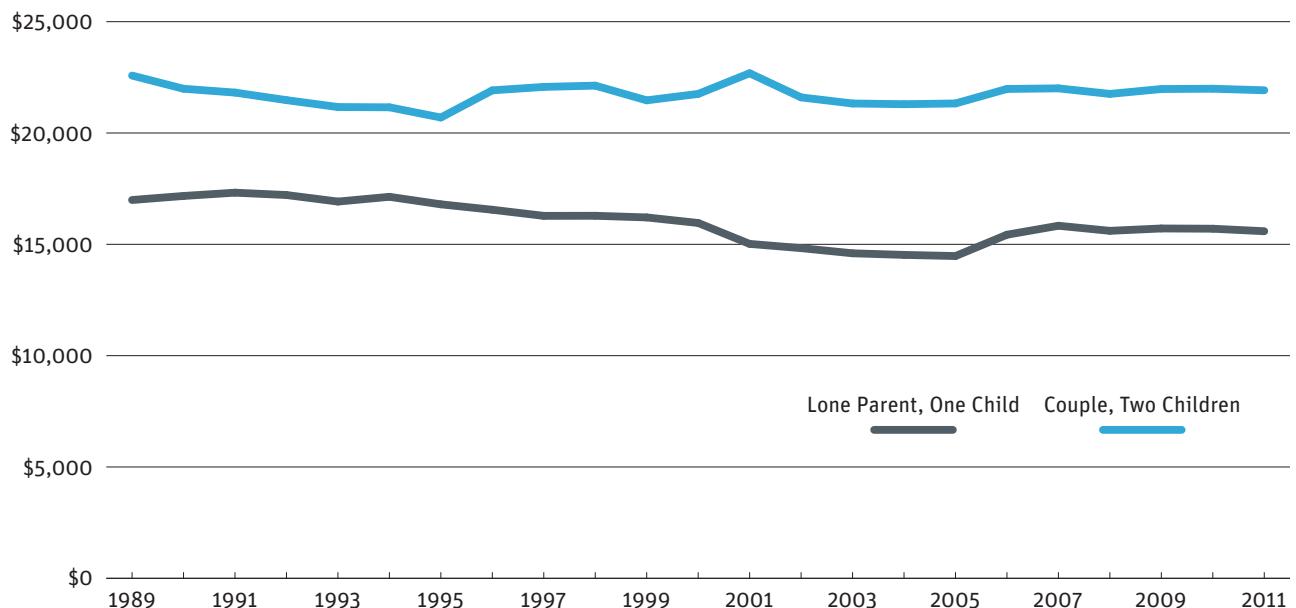
likelihood of living in poverty than children living in two-parent families. In 2011, **almost half** (48.5%) of the children living in female lone parent families lived below the AT-LIM.

Families Who Depend on Welfare for Household Income

Children in Nova Scotia in households that depend on welfare are particularly vulnerable. The National Council of Welfare reports that in 2011, these low-income families struggled with After-Tax income gaps (the amount by which their welfare income falls below the Before Tax-LICO for Halifax) ranging from \$3,965 (lone parent-one child family) to \$8,488 (couple, two child family). *Figure 5* provides examples of total welfare incomes in Nova Scotia (in constant 2011 dollars) over time, which includes social assistance payments, federal and provincial child tax credits and goods and service tax payments.

Welfare incomes for families in Nova Scotia fall below all the thresholds for measuring poverty. This is because welfare is a need-based system of last resort. In Nova Scotia, welfare recipients must prove that they have

FIGURE 5 Total Annual Welfare Income by Family Type, Nova Scotia, 1989–2011 (Constant Dollars)



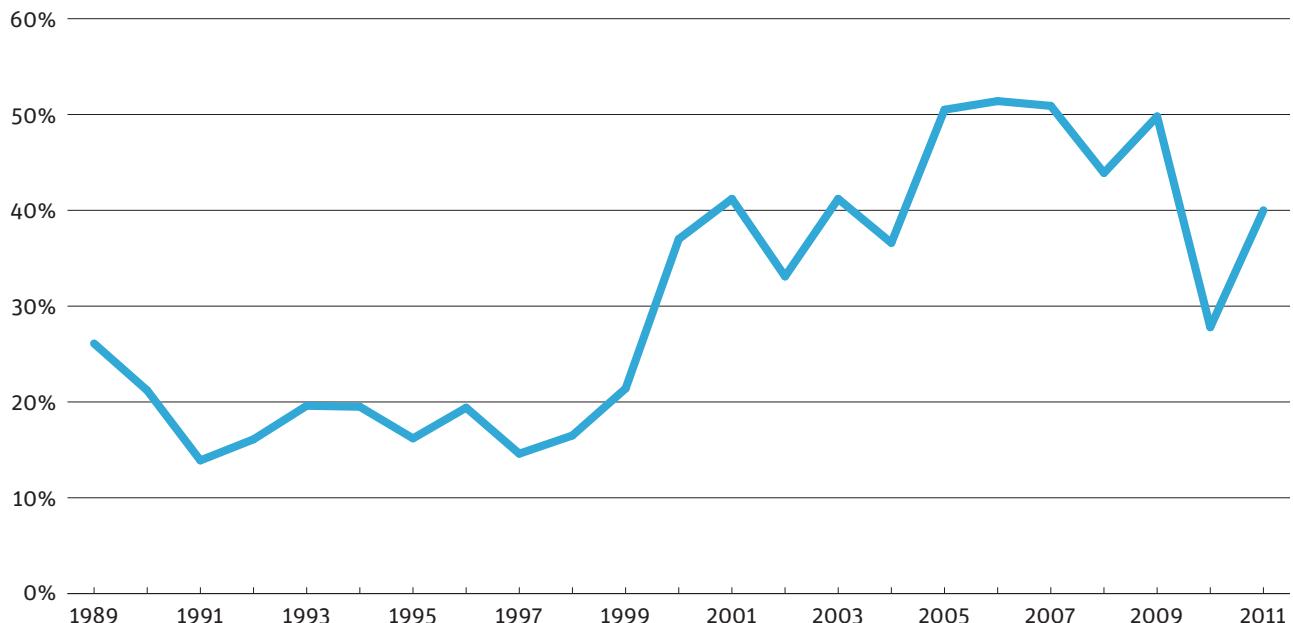
Source Prepared using: Welfare Incomes 2011 data provided by the National Council of Welfare prior to its loss of federal funding

a budget deficit below a certain level of ‘need’ defined by the Department of Community Services, but the needs-based income threshold is itself significantly below poverty lines. Therefore, those who depend on welfare for all or part of their family income, by definition, will live below the poverty lines. In addition, welfare incomes have not always been tied to increases in the cost of living. Welfare incomes for lone parents with one child in Nova Scotia were \$1,732 per annum lower in 2011 (in constant dollars)⁵ than they were at their peak seventeen years ago (1991). For a couple with two children, welfare incomes in 2011 were \$765 per year less than they were for this family type at their peak in 2001.

The Working Poor: Employment Does Not Ensure Prosperity

Parents’ access to a job is not enough to bring families out of poverty. In 2011, 40% of poor children in Nova Scotia lived in a family with at least one full time/full year earner. This means that between a third and a half of all poor children in this province were in working families. *Figure 6* shows an upward trend; increasingly children and their families are not able to rise out of poverty, despite securing full time/full year employment.

FIGURE 6 Percentage of Children in Low-Income Families in Nova Scotia With at Least One Parent Working Full Time/Full Year, 1989–2011



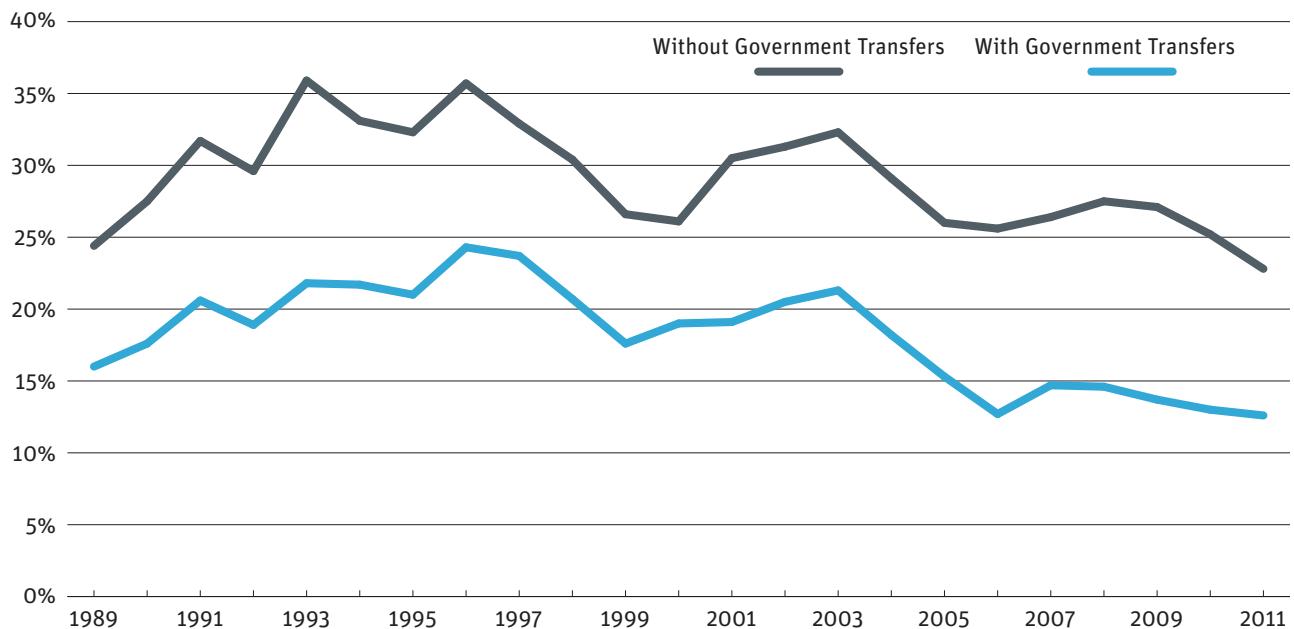
Source Statistics Canada's Survey of Labour and Income Dynamics Masterfile, 2011

Impact of Government Transfers

Government Transfers to Families Lowers the Child Poverty Rate

Figure 7 shows the importance of government transfer payments in reducing the rate of child and family poverty. These payments are delivered by both the federal and provincial governments, and include both children's benefits (such as the child tax benefit and child care benefit) and benefits to other family members (income assistance, GST payments). The space between the two lines on the graph in *Figure 7* shows the level of poverty reduction as a result of transfer payments. In 1989, transfer payments only reduced child and family poverty in Nova Scotia by 34.4% as measured by the Before-Tax LICO (BT-LICO). The best reduction in child poverty due to government transfers was seen in 2006 when the rate dropped from 25.6% to 12.7% which indicated a percentage change reduction of 50.4%—meaning that government transfers reduced the child poverty rate by half. In 2011, there was a 44.7% decrease in the child and family poverty rate due to transfer payments to families—translating to 17,000 Nova Scotian children be-

FIGURE 7 Impact of Government Transfers on Child Poverty, Before-Tax LICO, Nova Scotia, 1989–2011



Source Statistics Canada's Survey of Labour and Income Dynamics Masterfile, 2011

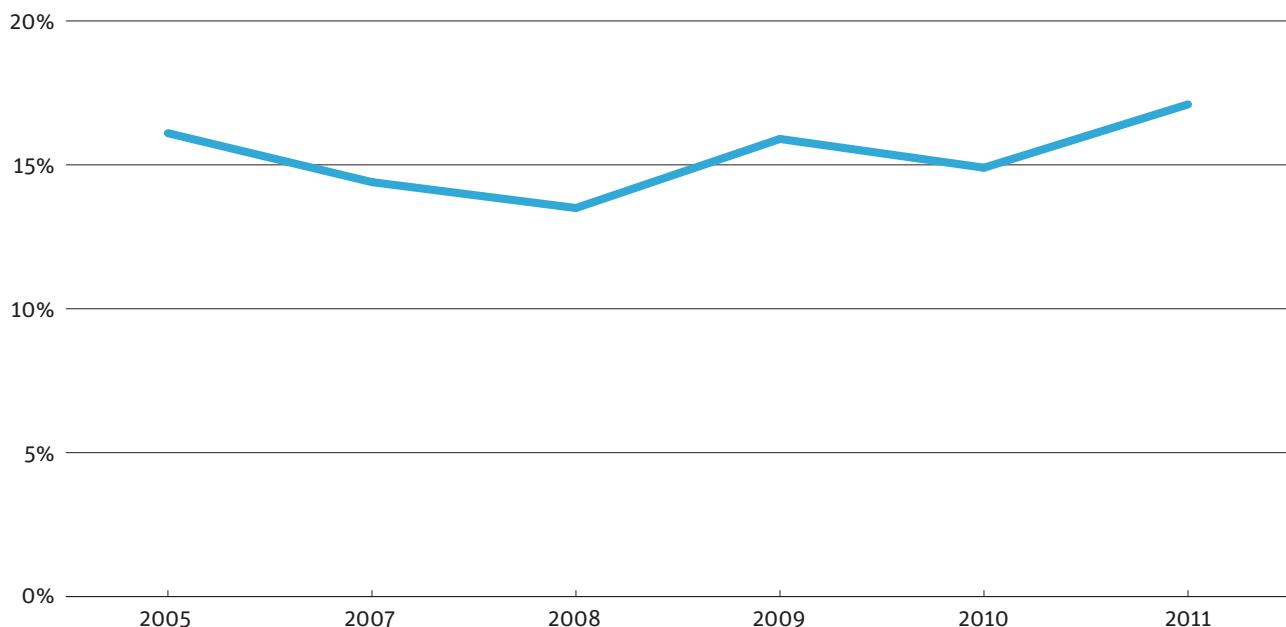
ing protected from living below the LICO due to government transfer payments. The reality is that government transfers such as the child tax benefit are often compromised to cover the shortfall needed to cover housing costs.

Child and Family Poverty Reflected in Food Insecurity

While government transfers lower child poverty rates, in the face of the cost of basic needs such as housing and food, they are often compromised lessening their impact. One visible indicator of incomes (from all sources) not covering the costs of basic needs is the rise of food insecurity in Nova Scotia. Tarasuk, Mitchell & Dachner (2013)⁶ recently reported on the latest food insecurity data from the Canadian Community Health Survey, indicating that in 2011 Nova Scotia had the highest rate of food insecurity second only to Nunavut. *Figure 8* shows that 17.1 % of Nova Scotians were food insecure in 2011 having risen since 2008.

Even more alarming, 23% (close to 1 in 4) of children in Nova Scotia lived in food insecure homes. In light of this it is not surprising that 32% of Nova Scotian food bank users were children in 2011 and the same is true in 2013.⁷

FIGURE 8 Household Food Insecurity, Nova Scotia, 2005–11



Source Prepared using Canadian Community Health Survey data as reported by Tarasuk, V., Mitchell, A., Dachner, N. (2013) in *Household food insecurity in Canada 2011*.

Ending Child Poverty

Ending family and child poverty is achievable and depends to a large degree on governments' agendas for poverty reduction and eradication, as well as their broader social and economic public policy priorities.

A number of interventions are required that combine initiatives to enhance opportunities for decent paid work, provide adequate supports for family to engage in work and to support family well-being more generally. There is a need for public policy and public investment aimed specifically at reducing family and child poverty. Government programs such as the Canada Child Tax Benefit, the National Child Benefit Supplement and the Nova Scotia Child Benefit, are essential. **Monthly tax credit payments targeted to families are particularly important.**

Clearly, tax benefit payments are not the only measure required to reduce child poverty. In 2011, 60% of all children living below the AT-LIM lived in families who rely on government transfers. For these families, the combined total income (welfare payments and tax benefits) needs to be higher if they are to get out of poverty. During its four year tenure, the NDP government increased the personal allowance portion of income assistance min-

imally four times, but made no changes to the shelter allowance. **Government support should be sufficient to lift families out of poverty, not just enable them to manage the symptoms.**

Having a job, in itself, does not solve the problem of child poverty, because 40% of all children in poverty in Nova Scotia live in families where there is at least one full year/full time wage earner. The recession in 2008 increased the growth of precarious employment (part-time, temporary, contract and often with low wages and few benefits).⁸ Statistics Canada reports that Nova Scotia has experienced a steady increase of the proportion of people working for minimum wage between 2000 and 2009.⁹ In 2011, Nova Scotia had the third highest rate of minimum wage earners in the labour force (8.2%). The Nova Scotia government has been committed to steadily increasing the minimum wage. In 2010, the NDP government followed the advice of the Minimum Wage Review Committee and committed to increase the minimum wage annually until it reached the LICO for an individual living in Sydney and thereafter committed to index the minimum wage annual to inflation

My rent is \$1350 a month. I only get \$620 from social assistance for rent. I can't take my rent and buy food and I cannot not pay my power to get food, it is just always rent or food, or power or food. —Nova Scotian Mother

using the consumer price index. The most recent increase, on April 1st, 2013 bought the minimum wage to \$10.30/hr., one of the highest in Canada. While this is a positive step, the full impact of which will not become apparent until 2013 data is available in 2015, more is required if we want to begin to close the gap be-

tween the lowest paid workers and higher paid workers and push Nova Scotia out of the low-wage ghetto. **A minimum wage indexed to 70% of the median Nova Scotian wage (\$11.37/hr) would ensure the effectiveness of minimum wage policy that seeks to achieve more equity and fairness in the labour market.** This broader agenda is an essential component of eradicating child poverty; more families must be enabled to enjoy their fair share of the wealth in our province.

Public investments aimed at poverty reduction for families must also include access to a well-designed, affordable early learning and childcare system. In 2011, Canada still lacks a national approach to early learning and childcare and regularly fails to meet international benchmarks for best practice.¹⁰ In 2012, 77,300 Nova Scotian children under the

age of twelve had mothers in the workforce, of these children, 29.1% were under 5 (22,500 children). In 2012, there were only 17,321 regulated child care spaces with only 4,575 children receiving subsidies.¹¹ If paid work is to be a pathway to ending poverty, greater access to affordable quality early learning and childcare is necessary and would benefit all Nova Scotian families. Clearly both levels of government have a responsibility to ensure the development of such a system, but the current federal government has consistently refused to revisit its earlier decision to withdraw from funding or develop a national childcare program.

The NDP government is to be commended for implementing initiatives targeted towards families living in low-income in Nova Scotia during its four year tenure. The creation of more subsidized childcare spaces was one outcome of the Nova Scotia Poverty Reduction Strategy introduced in 2009. Welcome policy changes also occurred in 2010, when the income threshold for the Nova Scotia Child Benefit increased making 7,500 additional children eligible for this benefit. In the same year the government introduced the Affordable Living Tax Credit – a quarterly payment attached to families' refundable GST/HST credit. In 2011, this tax credit was indexed to inflation, and there was a \$250 increase to the yearly personal income tax exemption. The Personal Allowance for adult recipients of Income Assistance was also raised by \$15/month (although this was not tied to increases in the cost of living and therefore not a guaranteed annual increase, the Affordable Living Tax Credit was indexed to inflation) and there was a slight decrease in the earnings clawback for those receiving Income Assistance.¹² The data in this report card would not fully capture changes to child poverty as a result of these initiatives because they did not come into effect until July 1st, 2011. The impacts of other measures affecting families with dependent children since 2011 – a 5% increase in the Nova Scotia Child Benefit, the pegging of the Affordable Living Tax Credit to the cost of living and a modest \$9 a month increase in the Income Assistance Personal Allowance rate in 2012; and expanding universal dental coverage by four years to include all children under thirteen and a \$17 increase in the Income Assistance Personal Allowance in 2013 will not become apparent for at least another two years.

Did you ever go to bed and wonder if your child was getting enough to eat? ...I go to bed and he would start crying in the night and I would think that he was hungry. —Nova Scotian Mother

As positive as these measures are, **troubling trends in family and child poverty likely will not be addressed by piecemeal increases and marginal tax adjustments.** Large income gaps for families living on Income Assistance, limited commitment to family policy to support parents in the workforce, rising housing and food prices, and increases in low-waged precarious employment as a consequence of the economic downturn and longer term structural changes in the labour market, all still stand in the way of child poverty eradication. Serious reflection on the future of Nova Scotia's most vulnerable citizen is long overdue — as the costs of not acting are costs we cannot afford. It is time for social and economic justice.

Appendix A: A Note About Poverty Measures

THE PRIMARY OBJECTIVE of statistical-based measures of poverty used in Canada is to attempt to capture numbers and rates of people that live in the lowest income grouping. Canada does not have an official measure of poverty, and Statistics Canada reports figures using several measures of poverty. One relative measure used is the Low Income Measure (LIM) which reports low income thresholds Before Tax (based on total gross annual income, including earned income and government transfers before the deduction of income taxes) and After Tax (based on the income of individuals or families after tax has been deducted). To be considered to be living in poverty according to this measure, your income must be in the bottom quarter of the income hierarchy (50% of the median Canadian income) adjusted for household size. The LIM is the most recognized internally as a sound measure of poverty. (See *Table 3* for LIM thresholds for 2011 based on household size). The Before and After Tax low-income cut offs (LICOS) are also a widely used relative measures of poverty in Canada. These measures are intended to represent an income threshold below which a family (depending on size of family and size of the community in which the family resides) will likely devote a larger share of its income on necessities compared to the average family. The newer Market Basket Measure (MBM) is an absolute measure of poverty. The MBM costs a range of essential goods and services for multiple household types within many locations across Canada, estimating the disposable income required to meet basic needs.

TABLE 2 After-Tax Low Income Measures Thresholds (2011 Current Dollars)

Household Size	LIM Threshold
1 person	\$19,930
2 persons	\$28,185
3 persons	\$34,520
4 persons	\$39,860
5 persons	\$44,565
6 persons	\$48,818
7 persons	\$52,730
8 persons	\$56,371
9 persons	\$59,790
10 persons	\$63,024

Notes

1 The AT-LIM is a relative measure of poverty used internationally. It determines poverty thresholds set at 50% of the median Canadian income. Those with incomes below this threshold adjusted for household size are considered low income.

2 This research was conducted for the purposes of my dissertation research in the Department of Sociology at the University of New Brunswick in 2011, funded by the Social Sciences and Humanities Research Council. A component of this research is currently under review with the Journal of *Food and Foodways* and is the focus of a forthcoming book with UBC Press.

3 See Hobcraft, John and Kathleen Kiernan (2001). "Childhood Poverty, Early Motherhood and Adult Social Exclusion", *British Journal of Sociology* 52(3): 495–517; Roberts, Helen (1997). "Children, Inequalities and Health", *British Medical Journal*, 12 April, Vol. 314 (#7087): 1122 (4); Ross, David, K. Scott and M. Kelly (1996). *Child Poverty: What are the Consequences?* Ottawa: Canadian Council on Social Development; Barker, D. (2004). "The developmental origins of adult disease", *Journal of the American College of Nutrition*, 23(6 Sup.), 588s-595s.

4 See MacDonald, David and Daniel Wilson (2013). *Poverty or Prosperity: Indigenous Children in Canada*., a publication of the Canadian Centre for Policy Alternatives, available at http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2013/06/Poverty_or_Prosp...

5 Constant dollars factor out the effect of inflation in order to accurately compare dollar amounts over time.

6 See Tarasuk, V, Mitchell, A, Dachner, N. Research to identify policy options to reduce food insecurity (PROOF). (2013). *Household food insecurity in Canada 2011*. Retrieved from <http://nutritionalsciences.lamp.utoronto.ca/>.

7 See Hunger Counts 2011 and 2013 available at <http://www.foodbankscanada.ca/Learn-About-Hunger/Publications/Research.aspx>.

8 Pasma, C. (2010). *Bearing the Brunt: How the 2008 Recession Created Poverty for Canadian Families*. Ottawa, ON: Citizens for Public Justice.

9 Statistics Canada, *Labour Force Survey, 2009*. <http://www.statcan.gc.ca/pub/75-001-x/topics-sujets/minimumwage-salaireminimum/minimumwage-salaireminimum-2009-eng.htm>

10 UNICEF Innocenti Research Centre. (2008). *The childcare transition. Report Card #8*. Florence: Author.

11 Friendly, M., S. Halfon, J. Beach and B. Forer (2013). Early Childhood Care and Education in Canada 2012. Childcare Resource and Research Unit.

12 See government of Nova Scotia Poverty Reduction Actions and Initiatives, <http://www.gov.ns.ca/coms/poverty/>



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
NOVA SCOTIA OFFICE