

Key findings:

- ◆ The City of Hamilton's poverty rate was 15% of all residents, using the after-tax Low Income Measure poverty line and taxfiler data. Hamilton's poverty rate to 20.5% among children.
- ◆ Poverty rates vary substantially among Hamilton's former municipalities, but there are at least some individuals, families, children and seniors living in poverty in all parts of the city.
- ◆ Poverty is strongly linked to negative health outcomes and lower levels of life satisfaction.
- ◆ The strong influence income has on all income groups strengthens the need for improved income redistribution policies to improve health and quality of life for all residents.

Introduction

The most recent income data available for Hamilton is the 2014 taxfiler data released by Statistics Canada. This anonymized data provides communities with information about income trends, including the number of taxfilers living in low income families. This data includes taxfilers' dependent children, and tax filing single individuals (categorized as non-family persons by Statistics Canada). Compared to the Statistics Canada estimate of the City of Hamilton's population for 2014, taxfiler data includes income information for about 93% of Hamilton's population.

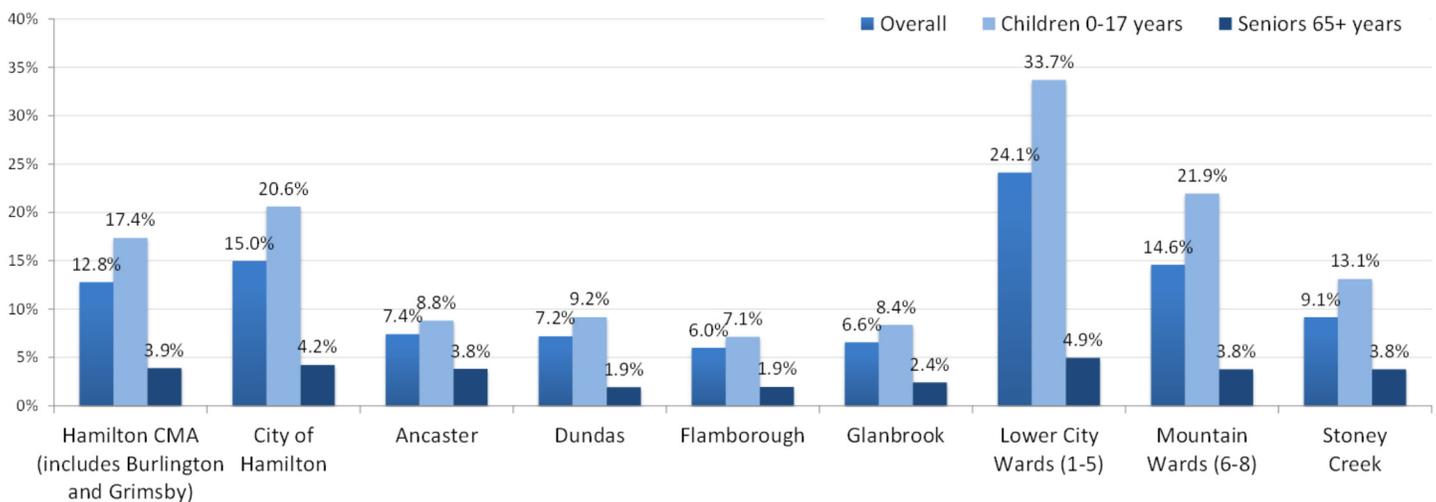
Taxfiler data cannot be compared to previous National Household Survey or Census data, due to different data collection methodologies; however it remains a useful data source for income in between Census periods. Due to its nature as an administrative dataset and not a survey, it only includes basic demographic information. With taxfiler data it is not possible to separate out information about groups who often experience discrimination in the labour market and higher poverty rates such as racialized groups, immigrants or persons with disabilities.

Poverty in Hamilton

The graph of poverty in Hamilton shows that low income families and individuals reside in all parts of the city (Chart 1). Generally, the geographic distribution of poverty in any community is tied to where affordable housing and lower market rents are to be found. The rapidly increasing rents in many parts of Hamilton are displacing many low income households and Hamilton may be experiencing what has already occurred in Toronto, with low income families being displaced to older suburbs with lower levels of services and transit, further impacting their quality of life.

Among Ontario's 13 Census Divisions with population of over 200,000 residents, the City of Hamilton had the 4th highest poverty rate using taxfiler data, with Toronto having the highest rate at 21.8%, followed by Essex (including Windsor) at 18.7% and Peel (including Mississauga and Brampton) at 17.0%.

Chart 1, Percentage of residents living in low income households, using the after-tax Low Income Measure (LIM-AT), by selected age groups, Hamilton sub-regions, 2014 (Statistics Canada, T1 Family File taxfiler data)

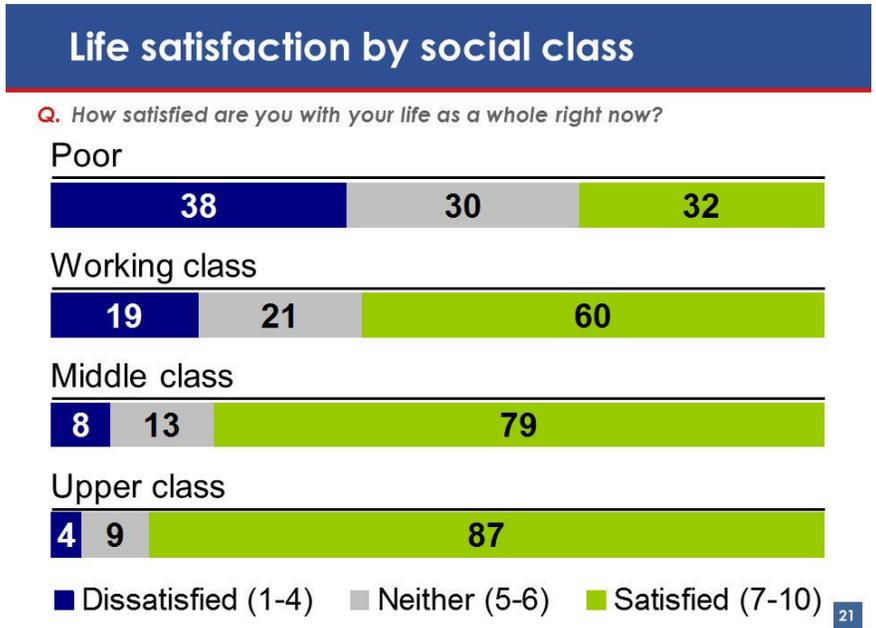


The experience of poverty, especially persistent poverty, affects almost all aspects of quality of life. As has been demonstrated by reports such as the Hamilton Spectator's *Code Red* series, and the SPRC's *Profile of Hamilton's North End*, poor health outcomes are strongly linked to low income. This is due to a combination of factors, especially the low level chronic stress that poverty creates which reduces both physical and mental health.

Recent polling data from EKOS showed that life satisfaction is also tightly tied to the social class a person self-identifies. Only 32% of people who said they were poor were satisfied with life, compared to 87% of people who identified as upper class. Even more strikingly, there is an almost 10-fold difference in life dissatisfaction (38% vs. 4%) between these two groups. Groups in the middle are also affected by this social gradient in life satisfaction.

These trends lead to fundamental questions about the unfairness of income having such a profound influence on health and quality of life, and underscores the need for policies to reduce income inequality and gaps in health and quality of life.

Chart 2. Polling data on life satisfaction, Canada, 2016 (EKOS Research Associates)



BASE: Canadians; Dec. 15, 2016 – Jan. 19, 2017, n=7,188, MOE +/- 1.2%, 19 times out of 20 Copyright 2016. Confidential: Not for circulation.

Measures of low income and poverty lines

There is no single measure of poverty in Canada, however, in recent years the Low Income Measure has been the most commonly used poverty line by research groups, community organizations, media and governments. The *Poverty Trends Score Card* from Citizens for Public Justice in Ottawa notes that “no measure can ever capture the experience of actually living in poverty, which is a drain on dignity, potential and hope.”

This report is based on data using the Low Income Measure (LIM), a relative measure, which means that as Canada becomes wealthier the LIM threshold is raised as well to assess the extent of polarization or redistribution of incomes. This means the LIM is independent of the exact cost of items that a person might need to meet basic needs. The LIM threshold pegged each year to 50% of Canada’s median income and is adjusted for family/household size. The Market Basket Measure is an absolute measure and has been developed by a panel of Statistics Canada experts to cost out a basket of essential items in communities across Canada including shelter, food, transportation and other minimal living expenses. The Low Income Cut-off (LICO) was developed as a hybrid measure combining aspects of both an absolute and relative measures of low income. The LICO, however, has not been updated by Statistics Canada since 1992 except to account for inflation, and some organizations now consider it to be closer to reflecting an absolute measure of poverty (<https://cpj.ca/files/docs/poverty-trends-scorecard.pdf>).

Chart 3 shows these three poverty lines in comparison to the level of Hamilton’s living wage and median and average after-tax incomes in the city.

