

2021 CENSUS: POVERTY IN HAMILTON BY MAJOR AGE GROUPS

This report provides new data on poverty in Hamilton, focussing on key age groups, to provide insights into trends and challenges in our community. The Social Planning and Research Council of Hamilton will continue to analyse poverty statistics from the 2021 Census as they are released to report in more depth on these important trends.

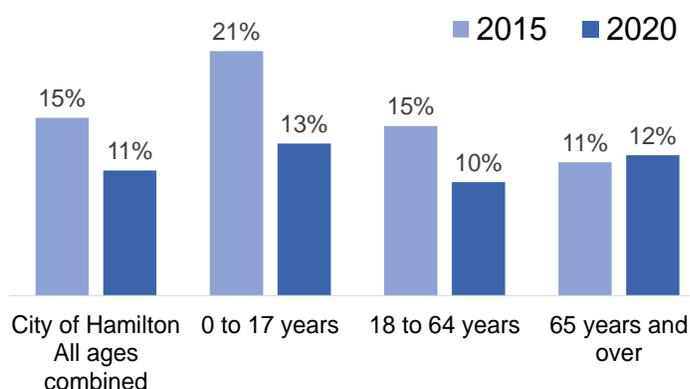
2021 Census data

According to the first release of income data from the 2021 Census, poverty rates have changed substantially across Canada including in Hamilton. The income data in this latest Census is from the 2020 tax year, and for almost a third of Canadians, their income included Canada Emergency Response Benefits (CERB), which helped households weather the economic shock of lockdowns during the early part of the pandemic and contributed to reduced poverty rates overall.

Income data of Hamilton residents illustrated in Chart 1 shows that the percentage of Hamilton residents living with low income was 11% in

2020, down from 15% in 2015 (using the Low Income Measure – After Tax). These rates reflect a similar trend seen for all of Canada, which dropped from 14% in 2015 to 11% in 2020. In Ontario, the low-income rates dropped from 14% in 2015 to 10% in 2020.

Chart 1. Poverty rates using the Low Income Measure After-Tax (LIM-AT), by selected age groups, City of Hamilton, 2016 and 2021 Census, Statistics Canada



Poverty data is complex — fully quantifying the impact of poverty is not possible with numbers alone. No poverty measure can summarize the ways that poverty deprives people of necessities, subjects them to dehumanizing experiences, and marginalizes them from everyday life activities in our communities.

Attempts to get a partial picture of the true levels of poverty in Canada have been made, and Canada has a few poverty measures: the older Low Income Cut-Off (LICO) measure still updated for inflation, but not reflective of current spending by families; the Low Income Measure (LIM), a measure that doesn't include household spending, but rather uses half the median income of Canadians as a yardstick threshold for poverty, which gives insights into income inequality; and the Market Basket Measure (MBM), an attempt to quantify the items and costs that a family should be able to afford to not be considered living in poverty, but which has been criticized for underestimating the cost of some items such as housing. More information about these measures, and the poverty line levels for each, is included in the SPRC's 2019 report: *Don't Stop Now! Progress in Poverty Reduction*.

Children

Pandemic related benefits, such as improvements to Employment Insurance along with CERB, partially explain these reductions in poverty in the overall population. However, the largest drop in poverty rates was among children, which is also due to the positive impact of the increase in child benefits for low-income families that was implemented in 2016.

In Hamilton, child poverty rates dropped by eight percentage points, from 21% of children aged 0-17 years down to 13%, from 2015 to 2020.

Seniors

In contrast to the large reduction in poverty among children, poverty rates in Hamilton for adults 65 and older increased from 11% to 12% since the 2016 Census.

Older adults aged 65 and older have not seen the same improvements in government policies and benefits. Seniors who retired in 2019 or earlier were not eligible for CERB, and there was only a small top up of Old Age Security during the pandemic.

A major contributor leading to increased poverty rates among older adults has been private employers reducing pension benefits

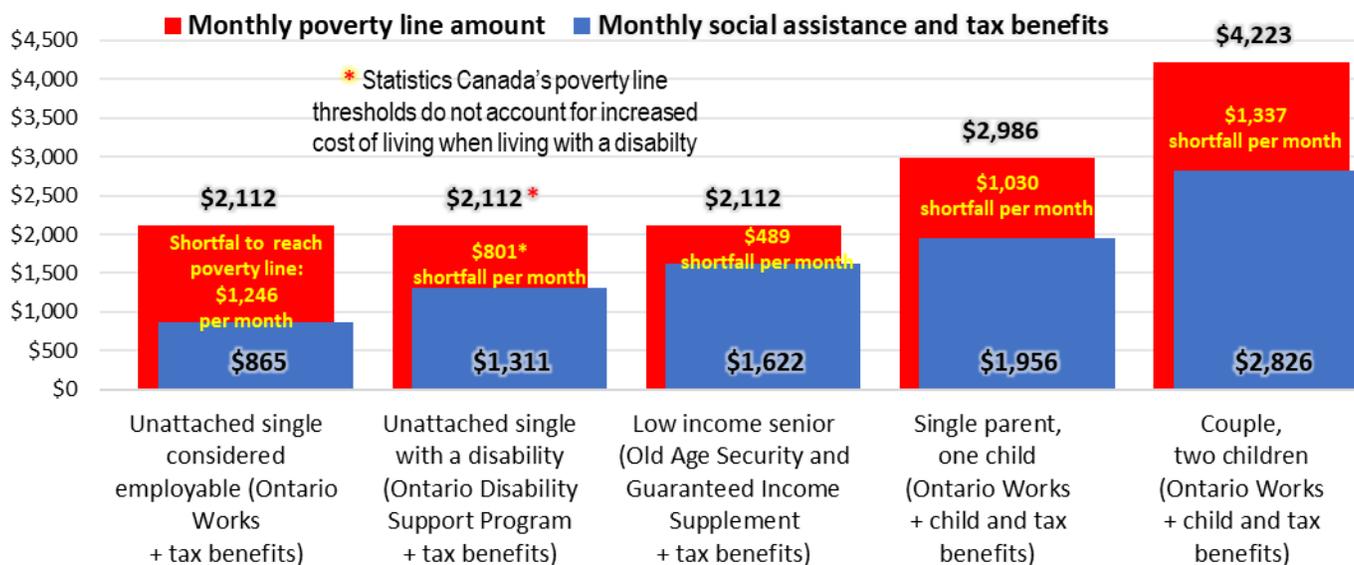
and costs. The loss of pension benefits has been prevalent among many Hamilton residents who worked in the manufacturing sector, as downsizing and cost cutting occurred during the de-industrialization of Hamilton's economy starting in the 1990s. Many employers in all sectors have also shifted to pension plans that shift the risk of investment strategies and market volatility from pension funds to individual employees, reducing benefits further.

Social assistance and deep poverty

For individuals and families living on social assistance, the gap in income to reach the poverty line is staggering (Chart 2). The deep poverty experienced by social assistance recipients means daily life is focussed solely on survival, as documented in the 2021 report by the SPRC and community partners: *A Brief Flowering of Hope: Life After Ontario's Basic Income Pilot*.

Chart 2 also shows that support through the Old Age Security and Guaranteed Income Supplement programs are not providing a secure and adequate standard of living for low income older adults to avoid living in poverty at the end of their lives. A deeper look at social assistance and deep poverty is provided in the SPRC's *Hamilton Social Landscape* issue #27.

Chart 2. Social assistance rates compared to poverty line (using Statistics Canada's Low Income Measure After Tax (LIM-AT), 2020 Welfare In Canada report (Maytree Foundation) and Government of Canada income benefits calculator for 2020 tax year



INFLATION, SOCIAL ASSISTANCE, AND HUNGER IN HAMILTON

The combination of high inflation and frozen social assistance rates is causing a food insecurity emergency for Hamilton residents living in deep poverty across the city.

Inflation in Ontario has hit lowest income residents most intensely. Low income residents spend the largest proportions of their household budget on basic necessities of food, shelter, and transportation. Inflation has caused prices on these essentials to increase faster than the average inflation across all consumer prices. Chart 1 shows that average inflation in Ontario has increased prices by 13.4% since 2018, but food and shelter have increased by 18.8% and 18% respectively, forcing many more Hamiltonians to skip meals and go hungry more often.

The punitive impact of provincial freeze on social assistance rates is demonstrated in the right side of Chart 1. Individuals and families receiving Ontario Works (OW) benefits have had four years of 0% adjustment to provincial social assistance, even in this current period of high inflation. Starting this month, persons receiving Ontario Disability Support Program

(ODSP) benefits will get a 5% increase in their benefits, but this increase will not even offset half of the purchasing power lost to inflation in recent years, due to frozen rates for three preceding years. Meanwhile the freeze on rates for OW recipients will continue into 2023 without further action from the province.

Frozen social assistance rates have made an already impossible situation worse. Encampments and increasing food bank visits are just some of the more visible signs of this

Chart 2. Proportion of residents visiting a food bank at least once, 2018, City of Hamilton and federal electoral districts, data from Food Share Hamilton published by Feed Ontario <https://map.feedontario.ca>

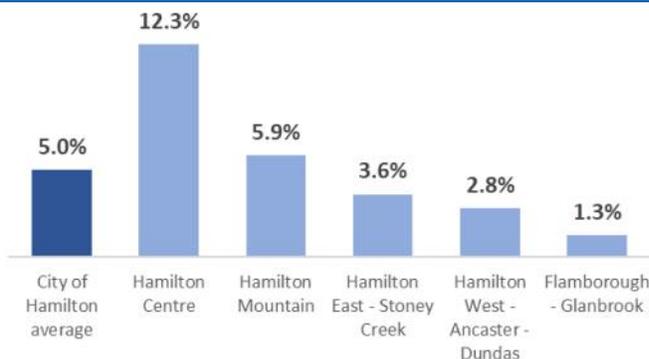
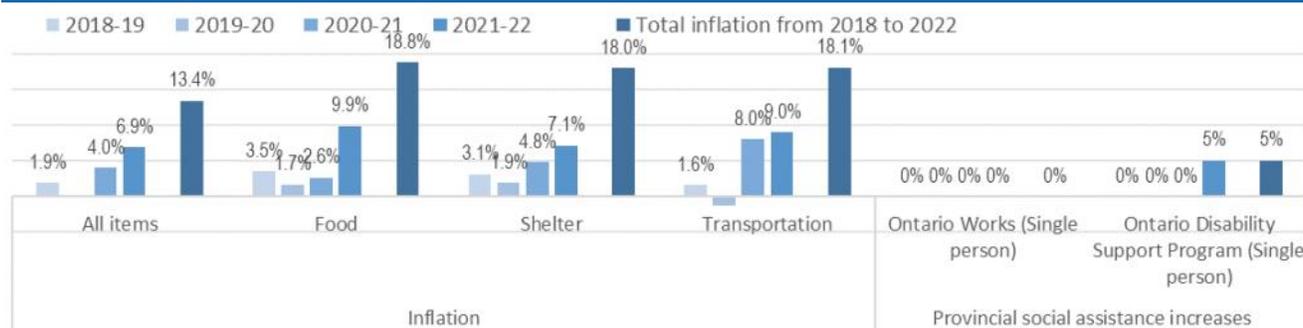


Chart 1. Annual inflation rates of basic necessities, August 2018-August 2022, compared to annual increases in provincial social assistance rates, 2018-2022, Statistics Canada Consumer Price Index and Ontario Ministry of Community and Social Services



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emergency in our city.

Chart 2 shows that across Hamilton in 2018, 5% of residents needed to visit a food bank to combat their hunger. In Hamilton’s poorest riding, Hamilton Centre, a full 12% of residents visited a food bank at least once—1 in 8 persons. The escalation of inflation since 2018 has made more Hamiltonians rely on food charities.

Within the grocery basket items tracked by Statistics Canada, inflation has been highest in some of the healthiest items like eggs (44% inflation since 2018) and vegetables (26% increase in inflation), and lowest in the sugar/confectionary category (10% increase in inflation). This imbalance further magnifies the food insecurity crisis, when healthy food gets more expensive than junk food.

Hamilton residents living on social assistance and experiencing hunger on a daily basis are a diverse group, including many single individuals and families with children. Among persons in households receiving Ontario Works, single parents with children account for 47% of recipients. Among persons in households receiving Ontario Disability Support Program benefits, single individuals without children account for 58% of recipients.

Analysis from Food Share Hamilton in their 2022 Hunger Count Report shows that the number of seniors in Hamilton accessing food from a food bank is growing, increasing by 34% in the past two years, more than five times the increase among working age adults. This additional evidence points to the fraying social safety

Chart 3. Annual inflation rates of selected food items, August 2018-August 2022, Ontario, Statistics Canada Consumer Price Index

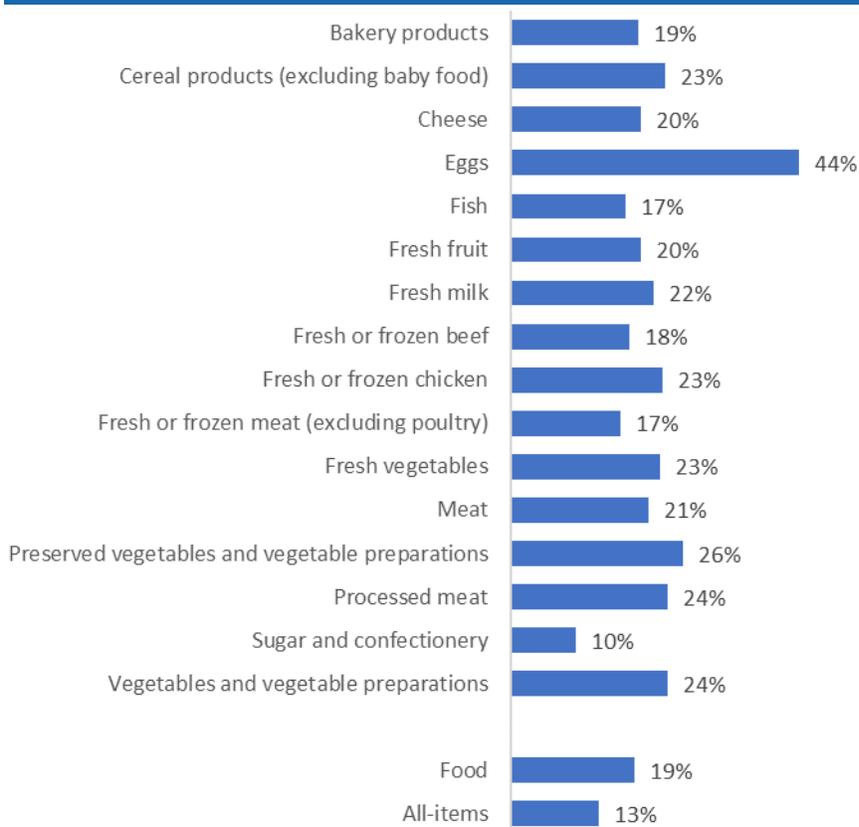
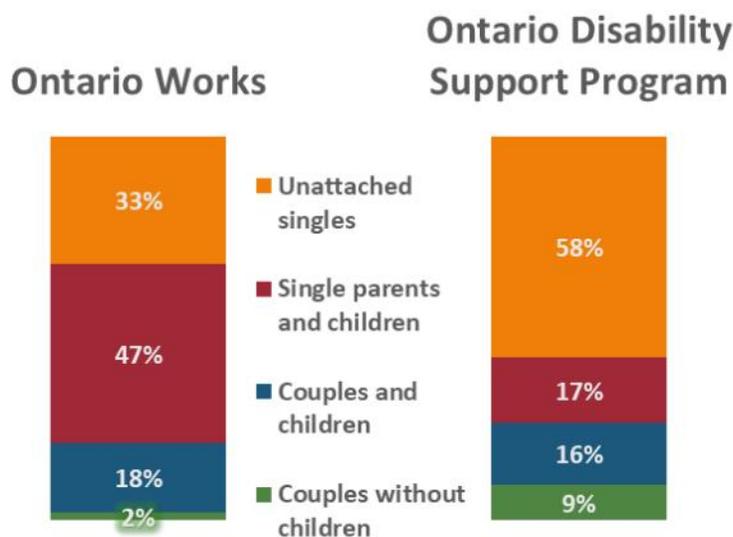


Chart 4. Proportion of household types among OW and ODSP social assistance recipients, Ontario, Ministry of Community and Social Services, 2020-2021



net for seniors, and to the need for more support for these and other vulnerable residents of our city.