

Presentation Outline for Seniors' Income Conference – September 16th, 2008
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What is poverty in Canada?

- There are three poverty lines used in Canada
 - o Two are relative and one is an absolute measure of poverty
- The Low Income Measure (LIM) and the Low Income Cut-Off (LICO) are relative measures – which focus on the lack of basic necessities
- The Market Basket Measure (MBM) is an absolute measure – which looks at the inadequacy compared to average living standards
- All three of these measures have strengths and weaknesses
- The most frequently used measure of poverty in Canada is Statistics Canada's LICO
 - o This measure sets a threshold at which a family is considered to be impoverished based on the proportion of income that family spends on the basic necessities including food, shelter and clothing
 - o It is the income below which a family is likely to spend 20 percentage points more than the average family.
 - § For example, in 2005, Statistics Canada's Survey of Household Spending found that the average family spends 34.3% of its income on food, clothing and shelter. Households are considered to be living in poverty if they have to spend 20 percentage points more than this on these three items. So if the household spending 54.3% or more of their income on food, shelter, and clothing, they are considered to be living in poverty
 - o The LICO can be calculated before or after tax.
 - o The LICO is dependant on both family size and community size
- The other relative measure of poverty – although less frequently used – is the LIM
 - o This estimates the poverty line as “50% of median income, adjusted for family size and composition using an equivalence scale”.
 - o LIMs can also be calculated before or after tax
 - o Community size is not accounted for (unlike LICOs).
- The MBM is a newer measure, developed by HRSDC
 - o This measure is based on actual costs of a basket of goods and services necessary for survival, with some other expenditures to allow some modest participation in one's community
 - o Based on disposable income (after taxes)
 - o The amounts for the food, shelter, clothing, transportation, and other components of the basket are determined for the reference family (two parents and two children)
 - o It can be adjusted for family size using the LIM equivalence scale – which factors in economies of scale as the number of people in a household increases

- Calculates thresholds for 19 specific communities and 29 community sizes in ten provinces to factor in regional differences in costs of the basket items
- There are a number of problems common to all three of these measures of poverty
 - They are not culturally sensitive
 - They are not gender sensitive
 - Only MBM explicitly includes issues related to social inclusion
- Measures of poverty in other developed countries
 - The US poverty line is based on a basket of food multiplied by a factor of three to cover all other goods and adapted to family size
 - § No geographic sensitivity
 - § Does not factor in increases in living standards

What does poverty look like for seniors? (Canada, BC, Vancouver?)

- poverty rate for seniors in general 2006
- poverty rates 1976-2006 trends
- poverty rate for seniors living with family members compared to those living on their own
- number of homeless seniors and trends for seniors (Vancouver only)

What are factors affecting poverty for seniors?

High Cost of Living

- cost of shelter 2008
 - proportion of senior owners and renters compared to other age groups 2006
 - type of housing seniors are living in 2006
 - proportion of seniors paying more than 30% of their income for rent 2005
 - proportion of seniors paying more than 50% of their income for rent 2005
 - proportion of seniors paying more than 30% of their income housing costs for seniors who own their homes 2005
- cost of food for seniors and how much of their income they have to spend on food 2007

Average Incomes

- Average income for seniors compared to other age groups (2000 and 2005)
 - Proportion of seniors with no income and with no employment income
- Average income for seniors working full-time compared to other age groups (2005)

Sources of Income

- sources of income for seniors (employment, investments, government transfers, pensions) 2006
- proportion of seniors that are working and trends 2006
 - o what industries seniors are working in 2006
 - o what occupations seniors are working in 2006
 - o average number of weeks worked in 2005
 - o proportion of seniors that are self-employed
 - o employment rate for immigrant seniors compared to non-immigrant seniors
 - o employment rate for Aboriginal seniors compared to non-Aboriginal seniors
- proportion of seniors providing unpaid childcare

Impacts and Outcomes of Poverty

- In 2006, Statistics Canada released a series of reports look at healthy living among seniors
 - o In many instances, the reports showed that there is a connection between sources of incomes for seniors and health outcomes in that seniors with fixed incomes tend to have poorer outcomes.
 - o Here are some of the findings of this study

Overall Health

- The health of seniors can be affected by several factors
- The study found that only 41% of seniors with low or lower/middle household incomes reported good health, compared to 62% of people with upper-middle and high incomes
- Healthy eating is a major contributor to overall good health
 - o The study showed that there is a strong association between good health and fruit and vegetable consumption
 - o Among seniors that ate less than 3 fruits and vegetables a day, 52% of seniors reported good health, while 62% of those who ate 5 or more a day reported good health
 - o Fruits and vegetables are expensive - seniors living on fixed incomes may not be able to afford to eat more than 3 fruits or vegetables a day, which puts them at a greater risk of poor health
- When people can't afford to purchase healthy foods, they are more likely to be overweight
 - o Obese seniors (BMI >30) have poorer health outcomes than seniors who have a normal weight (BMI 18.5-24.9)
 - o 46% of obese seniors reported good health compared to 55% of seniors with a normal body weight
- Living in poverty is often associated with high levels of stress – the study found that 62% of seniors reporting no or very little stress in their living were found to be in good health, compared to 32% of seniors with quite a lot or extreme amounts of stress

- People living in poverty, especially seniors also often find themselves socially isolated as they do not have the means to participate in community events or other social activities
 - o The study found that one's sense of community belonging is linked to overall health, with 62% of those seniors with a strong or somewhat strong sense of community belonging reporting good health, compared to 49% of seniors with a somewhat or very weak sense of community belonging

<http://www.statcan.ca/english/freepub/82-003-SIE/2005000/pdf/82-003-SIE20050007445.pdf>)

Health Care Use

- The portion of the study that looked at seniors health care use found that there was no major difference among seniors health care by source of income
- While senior men whose main source of income is welfare or OAS/GIS do report visiting a family doctor or general practitioner on average more often than those with other sources of income (5.1 times per year compared to 4.2 times per year), Statistics Canada says that the relationship between source of income and visits to the doctor is not a statistically significant relationship (the difference was 4.8 to 4.5 for senior women).
- There was also no difference in the number of different types of drugs required by seniors based when factoring in source of income.
- The study did show that in 2003, 19% senior men with welfare or OAS/GIS as their main source of income had been to the hospital in the past 12 months, compared to 14% of senior men with other primary sources of income – but again, this was not a statistically significant relationship (16% compared to 13% for women)

<http://www.statcan.ca/english/freepub/82-003-SIE/2005000/pdf/82-003-SIE20050007449.pdf>)

Deaths

- According to Statistics Canada, source of income is predictive of death
 - o The study found that 53% of senior men whose main source of income in 1994/95 was the Canada or Quebec pension, Old Age Security/Guaranteed Income Supplement, or welfare died by 2002/03, compared to 36% of those relying on other sources of income such as a private pension or employment incomes

<http://www.statcan.ca/english/freepub/82-003-SIE/2005000/pdf/82-003-SIE20050007445.pdf>)