

## **Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City**

<b>Date:</b>	January 7, 2008
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

### **SUMMARY**

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In November 2007, the United Way of Greater Toronto released *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City*. This report described how Toronto families with children are faring financially relative to families in the rest of the country (1). The purpose of this Board of Health report is to provide a summary of *Losing Ground* and to seek endorsement of specific recommendations contained within the United Way report.

A copy of the full report can be found at:

<http://www.uwgt.org/whoWeHelp/reports/pdf/LosingGround-fullReport.pdf>

### **RECOMMENDATIONS**

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The Medical Officer of Health recommends that:

1. The Board of Health endorse the following recommendations from the United Way of Greater Toronto report *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City* and communicate their endorsement to Premier McGuinty and Prime Minister Harper:
  - a. that a poverty reduction strategy for Ontario be developed by the Provincial government that sets clear poverty reduction targets and aggressive timelines for achieving those targets, with specific targets and timelines for Toronto;

- b. the strategy take into account the unique low income challenges facing the City of Toronto and the poor social and health outcomes associated with them;
  - c. all levels of government and other community stakeholders engage in the development of this strategy, so that all components of the social safety net are examined and funded, including policies and programs focussed on housing security, employment security, and child care;
  - d. the strategy address the significant decline in employment insurance coverage for unemployed workers and the related decline in access to employment supports and training and better protect and support employees in precarious employment; and
  - e. the Federal government, through Statistics Canada, work with representatives from municipal and provincial governments and research and labour organizations to develop strategies for the routine collection of precarious employment data at the city level.
2. The Board of Health commend the United Way of Greater Toronto for drawing attention and calling for action regarding the diminishing capacity of Toronto families to meet the high cost of living in Toronto.
  3. The Board of Health request that the Ministry of Health Promotion fund research to develop a tool that Boards of Health can use to identify the annual real costs associated with raising a child/children and that the tool be used to promote policy change.
  4. The Board of Health forward this report to the Community Development and Recreation Committee and Children’s Services Advisory Committee for information.
  5. The Board of Health forward this report to the Toronto Best Start Network, Child Health Network, Family Services Association, Children’s Aid Society of Toronto, Catholic Children’s Aid Society of Toronto, Jewish Child and Family Services of Toronto, Native Child and Family Services of Toronto, United Way of Greater Toronto, provincial Ministries of Children and Youth Services, Health Promotion, and Health and Long-Term Care, Ontario Public Health Association, Canadian Public Health Association, Campaign 2000, Canadian Paediatric Society, the Public Health Agency of Canada, Canadian Labour Congress, Statistics Canada, Human Resources and Social Development Canada, and Workers’ Action Centre.

**Financial Impact**

There is no financial impact.

## **DECISION HISTORY**

Over the past few years, the United Way of Greater Toronto has released a series of reports dealing with the issue of poverty in Toronto. The latest report in this series was released in November 2007 (1) and builds on a previous report, *Decade of Decline*, which examined income trends in Toronto during the 1990s (2). *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City* examines how families with children are faring financially relative to families in the rest of Toronto Census Metropolitan Area (CMA), Ontario, and Canada (1). This Board of Health report identifies key findings from *Losing Ground* and highlights specific recommendations requiring Board of Health action.

## **ISSUE BACKGROUND**

Child poverty is a significant public health concern. Living in a low income family during early childhood is associated with learning deficits, functional health problems, overweight and obesity, asthma, and a higher risk of both intentional and unintentional injury. In addition to its harmful health impacts, living in low income limits children's ability to participate fully in recreational, school, and community activities and to take advantage of many opportunities available to children in families with adequate means. As well, low income families are more likely to experience high levels of chronic stress, which can, in turn, negatively impact children's emotional, social, and physical well-being (3).

Children's early experience with poverty is a key factor in determining lifelong health and well-being. Poverty affects children's health not only when they are young but also later in their lives as adults (4). It is therefore critical that children be given the best possible start in life in order to safeguard society's future health and productivity.

In Toronto, a significant number of families with young children are living in poverty. Children living in lone parent families and visible minority and immigrant families are disproportionately impacted by poverty (4). The issue of poverty has been highlighted in several previous Board of Health reports and is now the subject of a new report by the United Way of Greater Toronto. Definitions can be found in Attachment 1.

## **COMMENTS**

Key findings from the report *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City* include:

### **Employment**

The City of Toronto had higher unemployment rates in 2005 than the rest of Toronto CMA, Ontario, and Canada. Unlike the rest of Toronto Census Metropolitan Area (CMA), Ontario, and Canada, the City of Toronto also experienced negative job growth

between 2000 and 2005. During that same time frame, the numbers of workers holding multiple jobs rose in Toronto. As well, between 1997 and 2005 precarious employment increased by 68% in Toronto to 157,100 temporary workers (1).

Toronto has one of the lowest Employment Insurance access rates among major cities in Canada (1).

## **Income**

In 2006, Toronto was rated as the most expensive Canadian city in which to live. Despite this, after-tax median income among families in Toronto in 2005 was \$18,500 less than the median in the rest of the Toronto CMA, \$12,800 less than the provincial median, and \$10,300 less than the median income for Canada as a whole. Median incomes for families in Toronto increased by only 1% between 2000 to 2005 compared to a 5.4% increase at the provincial level, and an almost 10% increase at the national level (1).

While Canada as a whole saw a decline in the number of low income families (as defined by Statistics Canada's Low Income Measure) between 2000 and 2005, the number of families in Toronto with low income increased by nearly 10%. In 2005, nearly 30% of Toronto families (92, 930) had low income. This compares with just over 16% for the rest of the Toronto CMA and only 20% for Ontario and Canada (1).

Family poverty continues to rise in Toronto. In 2005, more than 1 in 4 families were low income, up from 1 in 6 in 1990. By 2005, almost 30% of Toronto families were low income compared to 16.3% in the rest of Toronto CMA, 19.5% in Ontario, and 19.7% in Canada (1).

Poverty is increasingly concentrated among the growing proportion of Toronto families headed by lone parents. In 2005, nearly 1 in 3 families were headed by lone parents in Toronto compared to 1 in 5 in the rest of Toronto CMA. Lone-parent families accounted for all of the growth in the number of Toronto families with children 17 years and under from 2000 to 2005 (1).

The median income of lone- parent families declined by 5.7% from 2000 to 2005, from \$23, 000 to \$21, 700, after dropping substantially in the 1990s. The median income of lone-parent families in Toronto in 2005 was \$21,700. This figure was lower than for the rest of Toronto CMA, Ontario, and Canada (1).

In 2005, over 50% of lone-parent families in Toronto were low income. This represents 50, 480 families. The number of low income lone-parent families increased by 26% between 2000 and 2005. The numbers increased 22% provincially and 9% nationally during the same time period. While the increase was greater in the rest of Toronto CMA at 63%, the absolute numbers of families affected was significantly lower at 31, 740. Close to 40% of Toronto low income families headed by lone parents rely on government transfers such as social assistance as their primary source of income. This compares with a figure of closer to 20% in the rest of the Toronto CMA (1).

Low income among two-parent families in Toronto is also more prevalent than in other areas. In 2005, nearly 1 in 5 two-parent families in Toronto had low income compared to about 1 in 10 in the rest of Toronto CMA and at the provincial and national levels (1).

The median income of two-parent families in Toronto increased by 3.5% between 2000 and 2005, from \$51,500 to \$53,300. However, even with this increase, there was a drop in real dollar value of \$3,100 over the decade prior. By 2005, the \$53,300 median income of Toronto families was \$15,300 less than the median in the rest of Toronto CMA, \$12,500 less than the provincial median, and \$9,400 less than in the country as a whole (1).

### **Costs of Poverty**

Low income lone-parent and two-parent families in Toronto are unable to pay for the most basic costs of living. As a result, applications for evictions related to non-payment of rent are increasing as are levels of indebtedness and insolvency. In addition, there has been an expansion of payday loan and cheque cashing outlets that are concentrated in low income neighbourhoods in Toronto (1).

### **Conclusions**

*Losing Ground* clearly demonstrates that Toronto families with children 0-17 years are faring much worse financially than families in the rest of Toronto CMA, Ontario, and Canada in terms of median incomes and the percentage and number of low income families (1). The increase in the numbers of families with children living in poverty is deeply concerning given that low income children have worse outcomes on average on a range of health and developmental indicators than other children (4). While there have been modest gains on the policy front in the first part of this decade, other parts of the social safety net continue to be ineffective in mitigating the effects of poverty and unemployment (1).

The Government of Ontario has announced the establishment of a new cabinet committee that will work to develop poverty indicators and targets and a focused strategy for reducing child poverty (5). It is critical that the development of a poverty reduction strategy take into account the unique needs of different cities and regions within Ontario. As the United Way report shows, Toronto faces some significant challenges that necessitate the development of specific poverty reduction strategies. As well, efforts by the Government of Ontario should be co-ordinated with those of other levels of government and community stakeholders engaged in addressing the issue of poverty (1).

Every child in Toronto deserves the opportunity for healthy growth and development and optimal long-term health. Family income is a key determinant in helping them reach their potential.

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## **SIGNATURE**

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Attachment 1 - Definitions

## References

1. United Way of Greater Toronto (2007). *Losing Ground: The Persistent Growth of Family Poverty in Canada's Largest City*. Toronto, Ontario: Author. Available from: <http://www.uwgt.org/whoWeHelp/reports/pdf/LosingGround-fullReport.pdf>
2. United Way of Greater Toronto (2002). *A Decade of Decline: Poverty and Income Inequality in the City of Toronto in the 1990s*. Toronto, Ontario: Author. Available from: <http://www.uwgt.org/whoWeHelp/reports/decadeOfDecline.php>
3. Toronto Public Health (2007). *The Health of Toronto's Young Children: Volume 3 – The Growing Child*. Toronto, Ontario: Author. Available from: [http://www.toronto.ca/health/hsi/hsi\\_young\\_children\\_vol\\_3.htm](http://www.toronto.ca/health/hsi/hsi_young_children_vol_3.htm)
4. Toronto Public Health (2006). *Impact of Poverty on Children's Current and Future Health*. Report to the Board of Health, September 14, 2006. Toronto, Ontario: Author. Available from: <http://www.toronto.ca/legdocs/2006/agendas/committees/hl/hl060914/it001.pdf>
5. Onley, D.C. (November 29, 2007). [address] *Speech from the Throne. Moving Forward the OntarioWay*. Address presented on the opening of the First Session of the Thirty-Ninth Parliament of the Province of Ontario. [Transcript] Retrieved December 18, 2007 from <http://www.premier.gov.on.ca/documents/ThroneSpeech112907-En.pdf>

## **Attachment 1 Definitions**

### **Toronto Census Metropolitan Area:**

Toronto Census Metropolitan Area includes the City of Toronto, plus 23 surrounding municipalities: Ajax, Aurora, Bradford, Brampton, Caledon, East Gwillimbury, Georgina, Halton Hills, King Township, Markham, Milton, Mississauga, Mono Township, Newmarket, Oakville, Orangeville, Pickering, Richmond Hill, Tecumseth, Uxbridge, West Gwillimbury, Whitchurch-Stouffville, and Vaughan (1).

### **Rest of Toronto CMA:**

The Toronto Census Metropolitan Area (CMA) excluding the City of Toronto (1).

### **Median Income:**

Median income is that of a family in the middle of the income distribution, meaning half of all families are above the median and half of all families are below the median. Compared to average income, the median income is a better indicator of how typical families are faring because average incomes can be skewed from extremes ends of the income spectrum (1).

### **Low Income Measure:**

Low income is defined as having an income of less than half the median income of a family of the same size and age composition for all of Canada. A purely relative measure of “poverty”, the LIM is also a more conservative measure than the better-known Low-Income Cut-Off (LICO). In other words, the LIM measure will typically calculate fewer numbers living in “poverty or low-income” compared to the LICO (1).

### **Low Income Cut Off (LICO):**

Statistics Canada measures the number of families who are below the low-income cut-off (LICO), which means those who spend 20 percent more of their gross income on food, shelter and clothing than the average Canadian. This figure is often used as the unofficial “poverty line.”