



Poverty at Your Doorstep Hamilton 2013

The 2008-09 recession was very difficult for many Hamilton families. High profile plant closures were the most visible signs of the sharp increase in unemployment that affected families across the region. Today, there are some signs of recovery. The child poverty rate, after tripling in 2008, has fallen back to pre-recession levels. The unemployment rate has dropped as well close to pre-recession levels.

At the same time, average rent in Hamilton has steadily increased, and food bank usage, which rose steeply after the recession, remains nearly 20% above pre-recession levels. Hamilton is still working its way back from the recession.



The Ontario Works caseload rose gradually through the recession and continued to rise each year to 2011, reaching 14,170 cases in July 2011.

Poverty in Hamilton

Hamilton made significant progress in reducing rates of poverty in the years leading up to the recession. After years of double digit poverty in the 1990s and early 2000s, the overall poverty rate fell to 7% in 2007 and to 4% among children, according to Statistics Canada's after-tax Low Income Cut-off.

When the recession hit in early 2008 and unemployment started to climb, Hamilton's poverty rate rose by over two percentage points to 9% and then again in 2010, up to 10%.

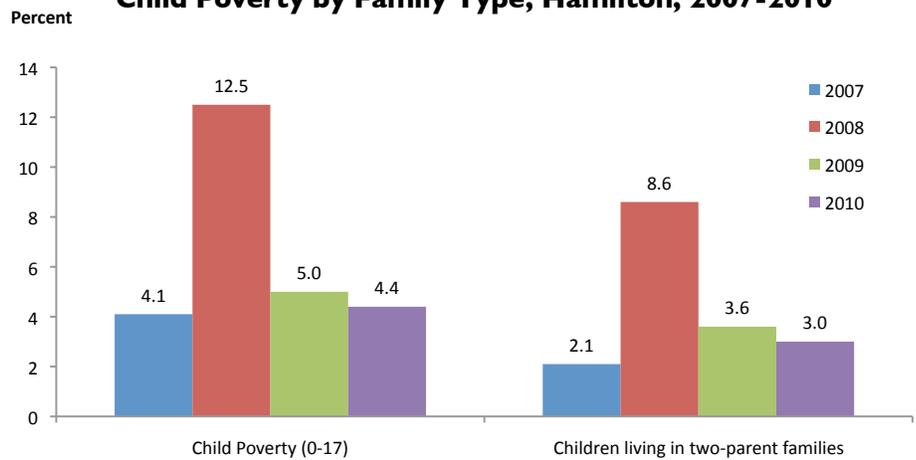
The impact on children was especially severe. The child poverty rate increased sharply to 13% in 2008, but fell back quickly in the following years, to 5%.

The most recent information on poverty among lone-parents comes from the 2006 Census. The poverty rate among female lone-parent families was 29%, compared to a rate of 7% among two-parent families with children. Hamilton's poverty rates are higher than the provincial averages for all groups at high risk of poverty, including lone-parents, Aboriginal peoples and recent immigrants.

Labour Market Inclusion

Three years after the recession hammered Hamilton's labour market, employment levels finally started rising again in 2011. The employment rate

Child Poverty by Family Type, Hamilton, 2007-2010



Source: Source: Statistics Canada. Table 202-0802 - Persons in low income families, annual. After-tax Low Income Cut-off.

increased to 61% after three years of decline, while unemployment fell from its recession peak of 8.4% in 2009 to 6.4% in 2011, below the provincial and national averages.

2012, however, may prove to be a more difficult year in Hamilton. Monthly labour force data reveal that the employment rate has fallen over three percentage points between January and June 2012, while the unemployment rate has increased from 6.0% to 6.7% over the same period.

The quality of jobs being created is also a concern. After the recession of the early 1990s, the nature of work changed dramatically, especially for men. Many of those laid off from manufacturing were never able to find comparable work. The labour market in Hamilton is now comprised of a larger share of low-wage service work.

At the same time, there has been a significant drop in the proportion of full-time, full-year work, from over 60% in 1981 to 43% today. The 2008-09 recession has served to further polarize the labour market in Hamilton, and create economic instability for many families.

Income and Earnings

Across Canada, market income from earnings and investments for working-age families was largely unchanged in 2010, following a decline in 2009. But Hamilton bucked the national trend.

Families in Hamilton experienced an increase between 2008 and 2009 from \$73,400 to \$80,800, followed by a decline in 2010 to \$74,000, consistent with the weak employment situation that year.



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Median after-tax income for working-age families followed the same pattern, reaching \$73,300 in 2010. The after-tax income of two-parent families with children was \$91,600. Figures are not available for lone-parent families.

The Growing Gap

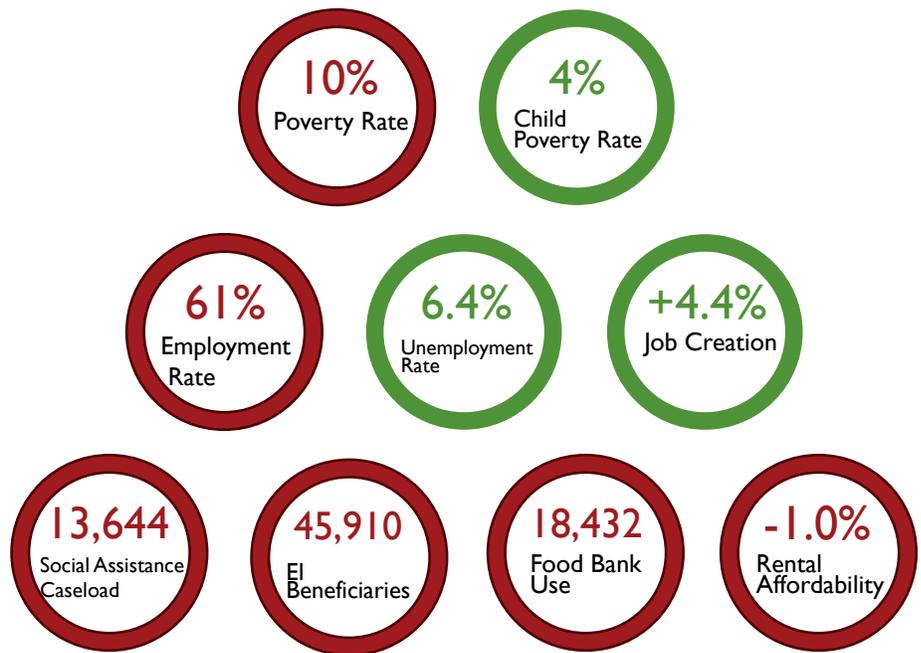
The gap between the rich and poor families is a growing problem in Ontario. Over the past three decades, the after-tax incomes of the wealthiest 20% of Ontarian families have grown at four times the rate as the incomes of the poorest 20%, while their share of income has increased by 13%. The income share of the poorest 20% of families, by contrast, fell by 12%.

Poor Ontario families continued to lose ground through the recession, as the average incomes of top income families continued to increase each year, while those of families at the bottom of the income ladder fell.

In Hamilton, there has been little change in the sizeable gap in incomes between Hamiltonians at the top of the income ladder and those at the bottom since 2000. Community groups have also documented significant disparities among neighbourhoods. In 2009, poverty levels ranged from under 6% in one neighbourhood to over 40% in two, while child poverty rates were over 60% in several neighbourhoods (according to the Low Income Measure).

Has Hamilton Recovered from the Recession?

Most recent information for Hamilton.



Still Behind Making Progress

Social Assistance and Employment Insurance

During the recession, the number of people receiving Employment Insurance rose by 107% – this despite the fact that only one-third of the unemployed were able to make successful applications for benefits. By 2010, the numbers had started to drop to pre-recession levels as job creation started to pick up and recipients began to exhaust their benefits.

The Ontario Works caseload, by contrast, rose gradually through the

recession and has continued to rise each year, from just under 10,000 cases in early 2008 to a high of 14,170 cases in July 2011. Increases in social assistance typically lag behind economic recoveries as people faced with unemployment or reduced hours run down their financial resources and savings.

Overall, the caseload has risen by 40% since the recession hit. The numbers turning to social assistance have started to edge down in 2012, but remain much higher than pre-recession levels.

Making Ends Meet

Hamilton's housing market has historically been one of the most affordable in Ontario, but housing costs have become a problem, especially for low-income families. Rental affordability in particular has worsened since the recession, decreasing by 7% between 2008 and 2011.

The 2006 Census found that 44% of all Hamilton renters lived in unaffordable housing, spending 30% of more of their income on shelter. Among poor families, 73% lived in unaffordable housing, paying more than 30% of their income on rent, while 36% paid more than half.

Lack of affordable housing has resulted in very long waiting lists for housing assistance. In 2011, there were over 5,300 Hamilton households with an active application for the affordable housing waitlist. This represents a dramatic 48% increase since 2007, far above the provincial average of 25% for this same period.

Similarly, food bank use in Hamilton rose through the recession, from 15,511 in 2008 to 19,602 in 2009, a 26% increase. Numbers dropped in 2010 and in 2011 to 18,432 – still 19% above 2008 levels.

Hamilton Food Share has documented a significant rise in the proportion of children using food banks over the past few years. Approximately 46%

of food bank users were children in 2011, an increase from 40% in 2008. In March 2011, 8,500 Hamilton children were part of families using food banks.

Sources

- » MHC (2012), Rental Market Report Highlights: Canada.
- » Hamilton (City of), Community Wellness Indicators: Ontario Works Caseloads.
- » Hamilton Community Foundation (2012), Hamilton's Vital Signs 2012.
- » Hamilton Food Share (2011), Hamilton Hunger Count 2011.
- » Hamilton Roundtable for Poverty Reduction, <http://hamiltonpoverty.ca>.
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- » Social Planning and Research Council of Hamilton (2009), "Incomes and Poverty in Hamilton."
- » Statistics Canada, CANSIM Tables 111-0020, 202-0203, 202-0605, 202-0407, 202-0802, 282-0110, 282-0116, 326-0021

For more information, see the national Poverty Trends Scorecard—Canada 2012 at www.cpj.ca. Check out Poverty at Your Doorstep reports for other Canadian cities at www.worldvision.ca/canadianprograms.

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Partners in Action

Shalem Mental Health Network

As a single mother parenting a child with disabilities and a domestic abuse survivor in downtown Hamilton, Sheila* was referred to Shalem Mental Health Network's WrapAround project.

When asked for her assessment of this experience, Sheila says "Give a man a fish, he eats for a day, teach a man to fish, he eats for a lifetime. WrapAround taught me how to fish".

Shalem Mental Health Network is a faith-based, Ontario-focused network that provides mental health support and resources to individuals, families and communities. Wraparound works to break the cycle of poverty and disadvantage through mentoring and life skills training.

Rather simply providing referrals to existing programs, WrapAround endeavours to create a personalized network of support to surround participants. Drawing in mental health professionals and members of faith communities, this team focuses upon an individual's strengths -- leveraging them, alongside necessary support, to tackle pressing life challenges.

For Sheila, Wraparound made all the difference. "My life is on track now, and I couldn't have done it without my team. The team I now call my four mothers. They are people I call my family, which I thought I would never have. This is my success story. May there be many more." Sheila's goal is now to complete WrapAround facilitator training to assist other families facing similar challenges.

* not her real name.

www.shalemnetwork.org

World Vision Canada

For more information about our programs and what you can do to close the poverty gap here at home, please see www.worldvision.ca/canadianprograms or get in touch: canadianprograms@worldvision.ca, 1-800-268-5863, ext 2759.