

Fact Sheet #3

Poverty by Age and Sex

The face of poverty continues to change in Canada. From the mid 1970s to the mid 1990s, the poverty rate declined steadily among seniors (65 years and older), from over 30% to less than 6%. At the same time, growth in poverty among children (under age 18) and young families emerged as a significant concern. More recently, families with children have benefitted from economic growth and the policy innovation of past 15 years. But working-age adults have been left behind. Young adults in particular are more likely to be poor today than they were three decades ago.

Child poverty has fallen below pre-recession levels

- The 1990s was truly a lost decade for children. Poverty rates among children (aged 0 to 17 years) increased by over 50% between 1989 and 1996.
- Since then, as the economy improved, families have made steady economic progress and child poverty rates have fallen, from 18.4% in 1996 to 9.0% in 2008. Programs like the National Child Benefit Supplement have also played an important role in supporting low-income families.
- The child poverty rate spiked during the 2008-09 recession, rising to 9.4% in 2009, but has fallen back below pre-recession levels in 2010, reaching 8.2%.

But poverty among seniors is still higher

- Over the past few decades, poverty among seniors declined from historic highs, reaching a post-war low of 4.8% in 2007.
- As a result of the recession, poverty levels rose among seniors for the first time in years, from 4.8% to 5.8% in 2008. The rate edged down in 2009 and then moved up slightly in 2010, reaching 5.3%.

- The general decline in senior's poverty is the result of effective income support programs for seniors, including Old Age Security, Guaranteed Income Supplement payments and the Quebec/Canada Pension Plans.

Working-age adults have seen no progress over 30 years; young adults have fallen behind

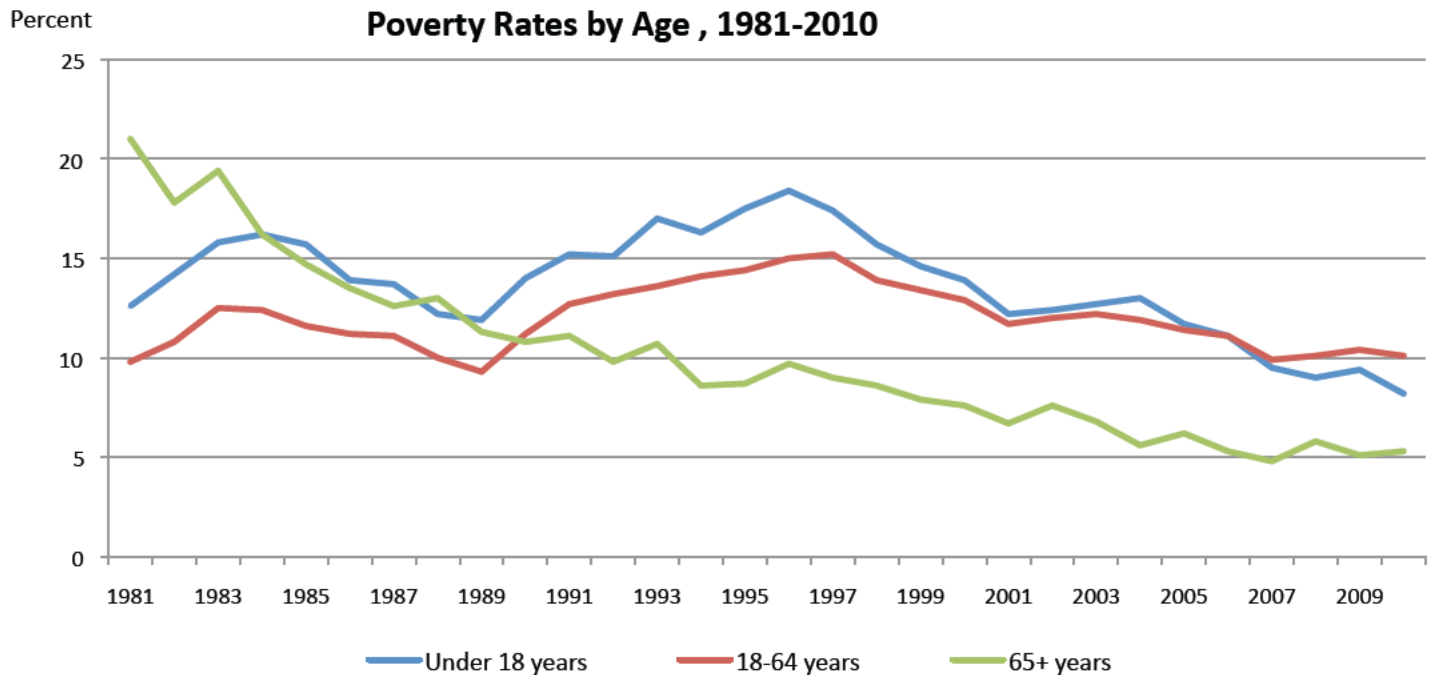
- There has effectively been no change in the risk of poverty among working-age adults aged 18 to 64 years over the last 30 years. Even after a decade of strong economic growth, poverty rates among adults had not fully recovered from the high levels of the mid 1990s.
- The situation of youth, in particular, has deteriorated. With high levels of unemployment and the erosion of good entry-level jobs, young adults are more likely to be poor today than they were three decades ago.
- During the recent recession, families headed by a young adult under age 25 experienced a three percentage point spike in poverty, as rates of youth unemployment climbed. One-third (33.3%) of these families were poor in 2010.

Working-age Canadians make up growing share of poor population

Percentage Distribution of Population and Poor Population, by Age, 1981 and 2010						
	Total Population			Poor Population		
	1981	2010	1981-2010	1981	2010	1981-2010
Persons under 18 years	27.9%	20.3%	-7.6%	30.0%	18.3%	-11.7%
Persons 18 to 64 years	62.6%	65.6%	3.0%	53.5%	73.7%	20.2%
Persons 65 years and over	9.6%	14.1%	4.6%	16.5%	8.0%	-8.5%

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

Seniors' level of poverty trending down, working-age families treading water



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

Women more likely to be poor than men, but gap is closing

- Since the mid 1990s, the gap in the poverty rate between men and women has closed, reflecting higher levels of employment and educational attainment among women, and population aging.

Demographic change is linked to poverty trends

- Children's share of the poor population has declined. Children now make up 20.3% of the total population and 18.3% of the poor population – a marked decline from their 29.4% share of poor individuals in 1996.
- At the same time, working-age adults are now “over-represented” among the poor. Their share of the poor population has grown by 20 percentage points since 1981 to 73.7%, while their total population share has grown by only three percentage points to 65.6%.

- Like working-age adults, seniors' share of the total population has grown between 1981 and 2010. However, their share of the poor population has declined – from 16.5% to 8.0% – driven by the falling incidence of poverty of this age group.

Baby boomers and poverty

- As the baby boom generation retires, and the senior population grows, we can expect to see downward pressure on poverty levels, the result of higher retirement incomes among baby boomers, especially among women, and Canada's strong income support system for seniors.
- However, proposed changes to the age of retirement will certainly result in higher levels of poverty among Canadians in their mid-60s.