

Fact Sheet #5

Poverty among Vulnerable Groups

Several groups are especially vulnerable to economic disadvantage and persistent low income, including Aboriginal peoples, recent immigrants and racialized communities, unattached individuals aged 45 to 64, and persons with disabilities.⁸ Economic disadvantage, in turn, is strongly correlated to poor health outcomes, lower educational attainment and employment, and lower levels of community connection and engagement.⁹ Aboriginal and racialized communities as well as people with disabilities also face discrimination and exclusion that directly impact the quality of their lives and opportunities for the future. Evidence suggests that poverty and disadvantage are becoming increasingly concentrated as the divide has widened between the very affluent and the poor in Canada.

Newcomers face significant economic barriers

- Today's recent immigrants¹⁰ have lower rates of employment and labour market participation, and lower levels of earnings and family income than in the past.¹¹ Their incidence of poverty was also lower three decades ago.
- Poverty rates rose sharply after the recession in the early 1980s and again in the early 1990s, reaching a high of 33.0% in 1997. As the economy improved, the poverty levels among newcomers fell, reaching 15.8% in 2005.
- Even before the recession hit in 2008, however, the economic situation of newcomers had started to deteriorate. Their weeks of work dropped abruptly, and poverty increased by three percentage points between 2005 and 2009.
- In 2010, the rate of poverty among new immigrants was 17.6%, 5.0 percentage points higher than in 1981, and almost twice the overall poverty rate for Canada.
12,13

Poverty a systemic problem in Aboriginal communities across the country

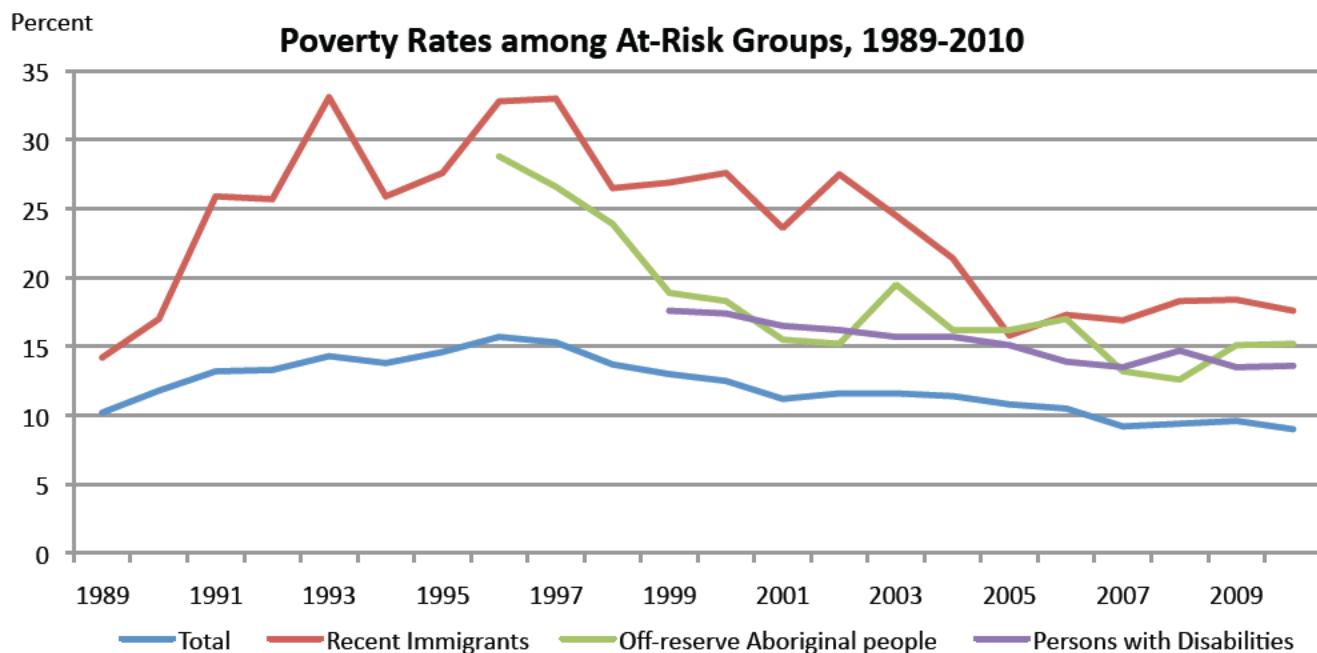
- The rate of poverty among Aboriginal peoples living off-reserve was 15.2% in 2010, compared to 9.0% for all of Canada.¹⁴
- In 2005, according to the Census, it was estimated the poverty rate for the entire Aboriginal population (i.e., both on and off-reserve) was 18.7% among Aboriginal families and 42.8% among unattached individuals.
- The recent recession had a significant impact on off-reserve Aboriginal peoples. There was a five percentage point drop in full-time, full-year employment between 2007 and 2009, and in turn, a sharp rise in poverty. The rate of poverty is still 2.6% percentage points above pre-recession levels.

Progress since the 2008-2009 recession

Poverty Rates among Vulnerable Groups, 2007-2010				
	2007	2008	2009	2010
Vulnerable Groups				
Recent Immigrants	16.9	18.3	18.4	17.6
Off-reserve Aboriginal Peoples	13.2	12.6	15.1	15.2
Persons with Disabilities	13.5	14.7	13.5	13.6

Note: Low income rates are calculated using the after-tax Low-Income Cut-Off (LICO). Recent immigrants are defined as those who have been in Canada 2 to 10 years. Source: Brian Murphy, Xuelin Zhang and Claude Dionne (2012), "Low Income in Canada: a Multi-line and Multi-index Perspective," Statistics Canada, Income Research Paper Series, Catalogue no. 75F0002M — No. 001

Economic disparities persist for recent immigrants, people with disabilities and Aboriginal peoples



Brian Murphy, Xuelin Zhang and Claude Dionne (2012), "Low Income in Canada: a Multi-line and Multi-index Perspective," Statistics Canada, Income Research Paper Series, Catalogue no. 75F0002M — No. 001

Persons with disabilities are also disproportionately affected by poverty

- People with disabilities have higher rates of poverty compared to people without disabilities. Higher rates of unemployment, lower levels of education, lack of workplace accommodation, and inadequate income security programs all undermine the economic security of people with disabilities.
- In addition, individuals with disabilities very often face very high costs of living related to needed supports.

- Long-term data are not available. Over the past decade, however, there has been improvement in the rate of poverty among people with disabilities, reaching 13.5% in 2007. Poverty levels rose to 14.7% in 2008 and then fell back to 13.5% the next year. There was little change in 2010 (13.6%).