

# Fact Sheet #6

## Depth of Poverty

The Scorecard highlights trends in the incidence and distribution of poverty in Canada. Yet, two other dimensions are equally important: the depth of poverty (how far below the poverty line a poor person’s income falls) and the duration of poverty (how long a spell of poverty lasts). Statistics Canada uses a measure called the “low income gap” to track the depth of poverty. The low income or poverty gap is the difference between the low income threshold and family income, expressed as a percentage of the low income threshold. (An example is provided in the endnote 15).

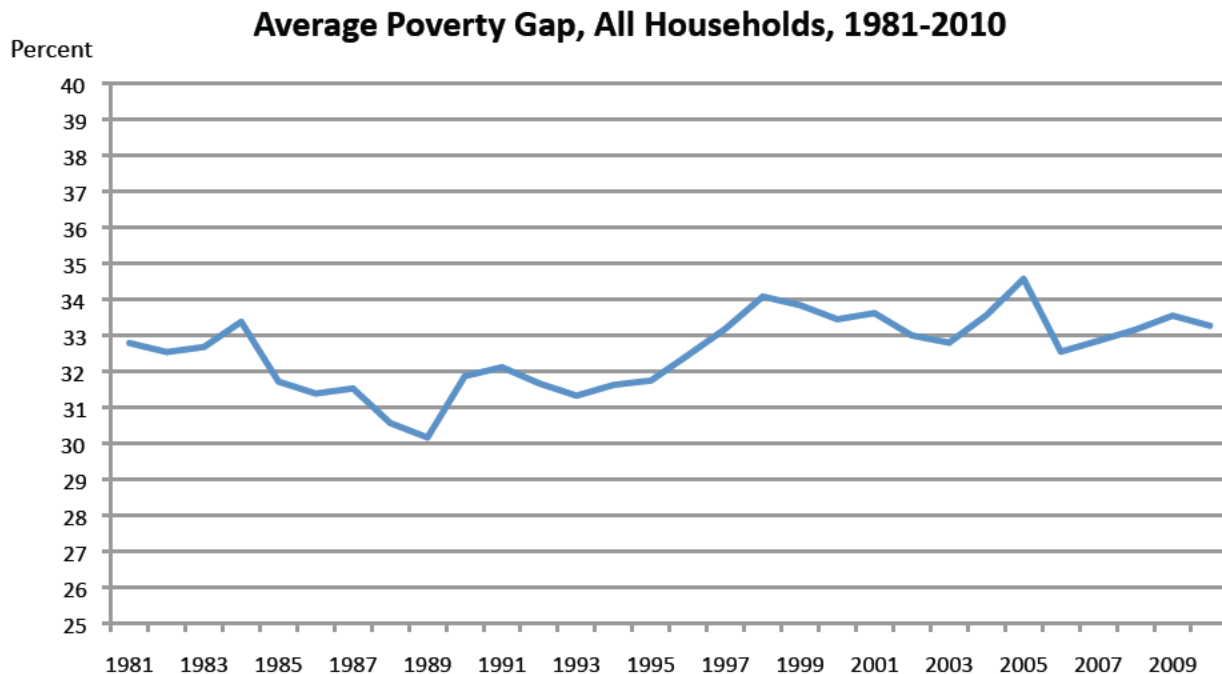
### Family incomes of poor Canadians fall far below the poverty line

- Canada has made little progress in reducing the poverty gap over the last 30 years. The average poverty gap has fluctuated between a low of 30.2% in 1989 to a high of 34.6% in 2005.
- In 2010, the average poverty gap was 33.3%. In other words, low-income families lived on incomes that were only two-thirds of the poverty threshold (Statistics Canada’s After-tax Low Income Cut-off).
- Despite falling rates of poverty recorded between 1997 and 2007, the average poverty gap did not improve. Poor families continued to live on very low incomes relative to the non-poor.

### Poverty gap is much higher among unattached individuals

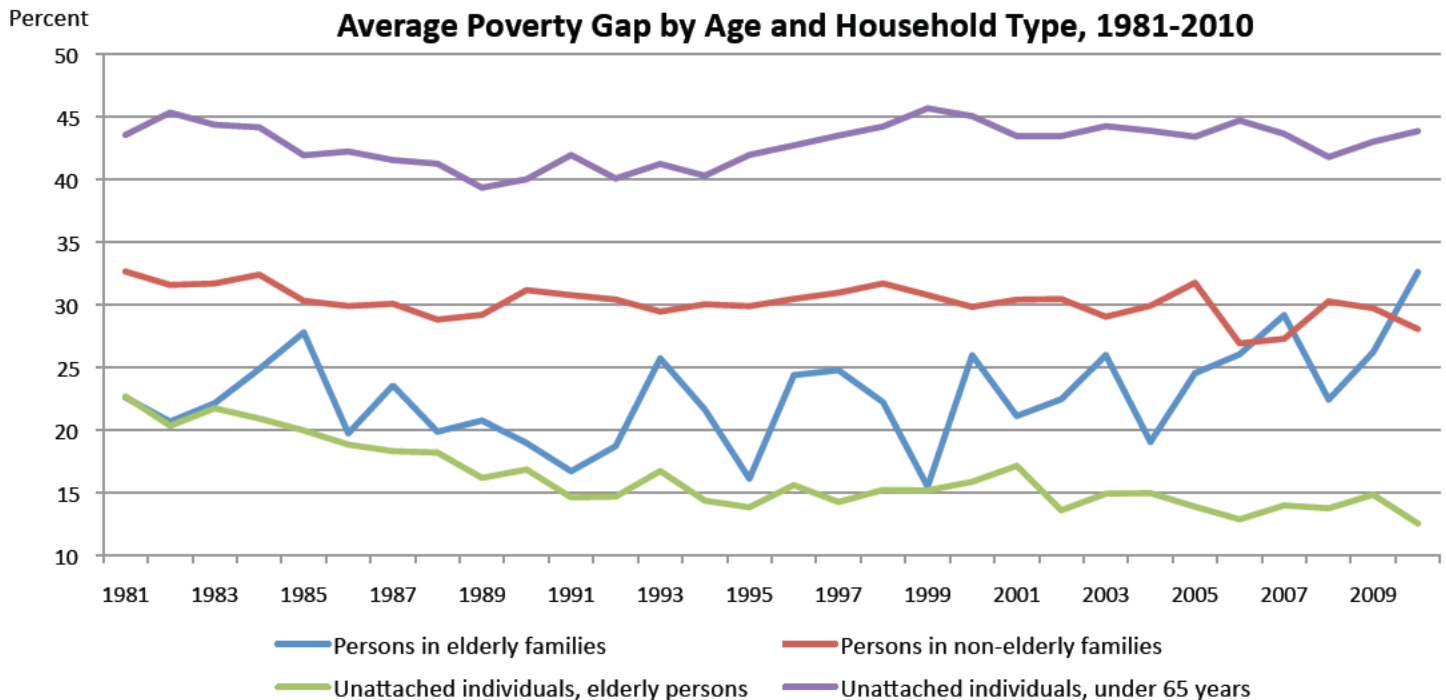
- Just as poverty rates vary by family characteristics, the same is true of the depth of poverty. For example, families of two or more in 2010 had an average poverty gap of 28.3% compared to 39.5% among unattached individuals.
- In general, the poverty gap is lower among seniors than among working-age adults or children, 18.5% compared to 37.0% and 24.9% respectively.
- Over time, the gap has narrowed for children and seniors, the result of enhancements in Canada’s income security programs.

### Average incomes of working-age singles fall far below the poverty line



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

## Depth of poverty has been increasing since late 1980s



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

- By contrast, the economic situation of working-age unattached individuals remains precarious; these individuals live on incomes that are approximately 55% of the poverty line.
- The average poverty gap of lone-parent families has improved significantly and now is much closer to the average gap of two-parent families (27.2% vs. 24.3% respectively, in 2010).

## Poverty gap among seniors is growing

- Just as the poverty rate among seniors has risen since 2008, their average poverty gap has also increased, from 16.1% to 18.5% in 2010.
- While the economic situation of seniors has improved, many seniors continue to live on fixed incomes just above the poverty threshold. A small change in income or expenses can have a huge impact on poverty rates and their livelihoods.