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DATE: October 20, 2005

SUBJECT: **STRATEGIC REVIEW OF POVERTY IN PEEL**

FROM: Janet Menard, Acting Commissioner of Social Services  
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## RECOMMENDATION

**That staff engage with community organizations to develop an action plan to mitigate the impact and reduce the rate of poverty in Peel and report back to Council with recommendations in 2006.**

### REPORT HIGHLIGHTS

- The groups most vulnerable to low income are among the fastest-growing components of Peel's population. These include recent immigrants, visible minorities, single parents, young families with children, and unattached seniors.
- Small concentrations of low income are distributed throughout the urbanized areas of Peel. These concentrations of low income coincide with recent mapping of social risk factors by the Peel District School Board.
- The incidence of low income in Peel in 2001 was about average for Ontario outside Toronto and Hamilton, but has risen from 1991 pre-recession levels, contrary to the national trend.
- Regional staff are engaged with the community in addressing the needs of vulnerable groups and neighbourhoods, through collaborations with United Way and the Fair Share Task Force.
- The Strategic Review of Poverty in Peel has assembled a large and growing body of information on low income and poverty which will be used to advance an expanding collaborative effort to address root causes in a preventative way.

## DISCUSSION

### 1. Background

The first strategic action identified in Peel's Strategic Plan, "Fast Forward Peel: Building a Strong Community Together", is:

*1.1 Invest in prevention strategies and actions that address root causes of health and social issues.*

## STRATEGIC REVIEW OF POVERTY IN PEEL

In support of this strategic direction, an interdepartmental staff committee, formed in 2004, which includes representatives from Peel Regional Police and community agencies, identified poverty prevention as an important priority for the future of the community and the corporation.

Three key preliminary findings motivated the pursuit of this review:

- Poverty has well-documented negative consequences for the health of both adults and children. As such, future levels of economic health and well being will impact on future health costs, including the Region's own ambulance and public health programs.
- Peel's overall incidence of low income has historically been about average for most communities in Ontario, except for Toronto and Hamilton where the incidence is higher. However the 1996 Census had indicated, and the 2001 Census confirmed, that there are specific population groups at highest risk of low income, and these are among the fastest growing sectors of Peel's fast-growing and urbanizing population. These include:
  - Visible minorities
  - Recent immigrants
  - Single parents
  - Unattached seniors, especially women
  - Persons with disabilities
  - Families with young children

These trends in vulnerability to poverty, if continued, could have negative future consequences for the whole community:

- A review of the Region's budget reveals that over one-third of the gross Regionally controlled operating budget, and fully one-fifth of the net property tax component of the budget, goes directly into three programs supporting low income families in Peel: Ontario Works, Children's Services (child care subsidies) and Social Housing. Clearly the Region as a corporation has a vested interest, on behalf of the taxpayer, in preventing and reducing the incidence of low income in the community.

To guide the review, the committee considered existing research and agreed on some basic definitions and principles.

### a) **Low Income Cut-Off**

The most commonly used low income measure in Canadian social policy is the "Low Income Cut-Off" (LICO). It is described as an income that requires a household to spend 20 per cent more than the proportion that a median-income household spends on basics—food, shelter and clothing (Appendix I). Throughout this report, the Low Income Cut-off (LICO) will be used for comparisons over time and with other communities, simply because of its acceptance as an indicator, its wide availability and long history.

**STRATEGIC REVIEW OF POVERTY IN PEEL****Incidence of Low Income in Peel and Area Municipalities**

	<u>Ontario All</u>	<u>Ontario Except Toronto/ Hamilton</u>	<u>Peel</u>	<u>Mississauga</u>	<u>Brampton</u>	<u>Caledon</u>
Persons	1,611,505	963,375	114,505	77,155	35,045	2,305
Per cent	14.4%	11.6%	11.6%	12.7%	10.8%	4.6%

**b) Low Income and Poverty**

Low income is not necessarily the same thing as poverty. Poverty is generally defined as persistent low income, experienced by people who have difficulty changing their circumstances. Many people with some assets go through temporary periods of low income, for example, while attending university or college. Families and individuals with some assets can often overcome temporary low income over time. These assets may include:

- A house or investments or some money in the bank (material capital)
- A good education and good health (human capital)
- A network of successful friends, colleagues and family (social capital)

National studies have demonstrated that about half of all people in low income at any one time improve their circumstances within three years. Those who lack assets, or have lost them after a time in low income, are at risk of falling into persistent low income - poverty. The longer they stay in low income, the harder it is to change their circumstances. Long-term poverty has permanent effects on the health of individuals and the well-being of communities. It has monetary costs to all taxpayers: costs for health care, public safety, social assistance and income subsidy. It also has less measurable costs for all citizens, due to the isolation and social tensions of people who are excluded from normal community life.

**c) Health Consequences of Poverty**

Peel Health presented Peel Regional Council in April 2005, with a report on the nutritious food basket, which has demonstrated that people in low income in Peel are making hard choices between basic needs - food and housing, for example.

The Health Department report referred to a number of specific potential health consequences for those who are undernourished. These include:

- a higher likelihood of experiencing compromised health, including iron deficiency, frequent stomach aches and headaches, colds, ear infections, asthma, diminished attention spans and poor performance in school among undernourished children;
- higher rates of obesity in both children and adults; and
- higher incidences of cardiovascular disease as well as cancer, diabetes and respiratory disease.

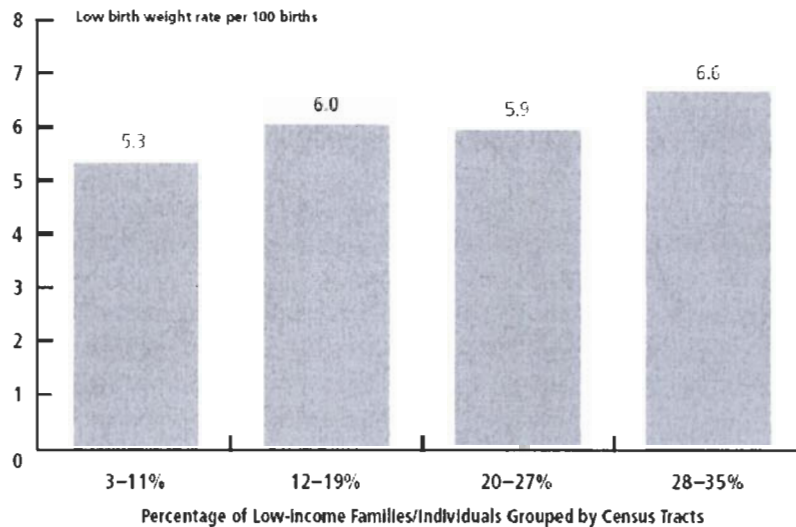
Peel Health's State of the Region's Health Report 2001 identified the following issues relating to health and wealth:

## STRATEGIC REVIEW OF POVERTY IN PEEL

- A 1995 Canadian study found children born in poor neighbourhoods had a greater risk of infant death than those in richer neighbourhoods.
- Data from the 1996/1997 National Population Health Survey showed prevalence of chronic diseases (e.g. high blood pressure, emphysema, stomach ulcers) were higher among those with low income compared with high income.
- Low-income earners experience higher levels of premature death.
- In Ontario, a 1999 study showed that heart attack victims from wealthy neighbourhoods were more likely to survive than those from poorer neighbourhoods.

Reproduced below is a graph from that report, showing the relationship of income to low birth weights in Peel in 1996-1997.

**Figure 2 — Low Birth Weight and Income  
Region of Peel, 1997**



Sources: Ontario Live Birth Database 1997, distributed through HELPS (Health Planning System) by the Ontario Ministry of Health and Long-Term Care; Statistics Canada, 1996 Census

## 2. Review Findings

Peel's image as an affluent region masks a reality that is much more complex:

- The rapid pace of population growth is increasingly made up of highly educated immigrants, most of them visible minorities.
- The population in Peel is aging and experiencing more disabilities, as elsewhere, but this trend is even more dramatic when compounded by overall population growth in Peel.
- Family formation is changing, and the fastest growing family group is the single parent family.

At the same time, Peel is affected by global economic trends, and the labour market is changing as fast as the community is growing:

- More of the skilled jobs are knowledge-based; and more jobs are precarious - part-time, contract, temporary.
- Employment incomes in Peel, as elsewhere, are becoming increasingly polarized - growing at the top, shrinking at the bottom, stagnant in the middle.

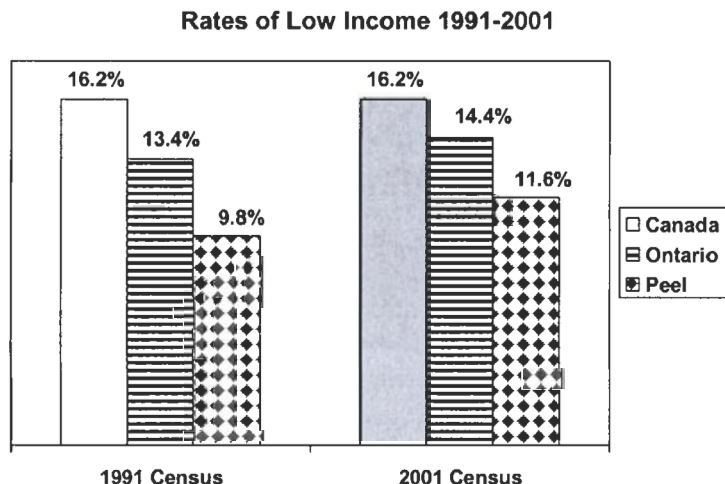
**STRATEGIC REVIEW OF POVERTY IN PEEL**

The focus of this strategic review is a preventative one: to reduce the numbers who are at risk of slipping into long term poverty. These are the families and individuals most likely to end up on some form of social assistance, or who may become homeless. In the meantime, they often remain at the precarious edges of the labour force, just “one pay cheque away” from a crisis. If they lack basic assets (financial, human or social) they may never be able to overcome their crisis.

**a) Trends in Low Income in Peel**

There were 114,505 individuals in low income in Peel in the 2001 Census, and of these 37,570 were children under the age of 18.

Rates of low income reflect, in large part, changing economic cycles compounded by the changing circumstances of individuals. Low income rates went up in Peel, as elsewhere, in the recession of the mid-1990’s, and came down again as the economy began to recover. Low income rates cycle up and down with unemployment rates. It is significant, however, that in spite of the improved economy, and unlike the rest of Canada, rates of low income in Ontario, and even more so in Peel, never returned to the lower levels experienced a decade earlier.



**b) Geography of Low Income in Peel**

Geographic concentrations of low income are much more widely dispersed in Peel than in older urbanized communities. About half the concentrations of low income in Peel coincided with social housing developments, which have been fairly successfully integrated in small pockets in most of Peel. However there are small but significant concentrations of low income families living in deteriorating older buildings or basement apartments, or sharing accommodations built for one family.

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Mapping of low income concentrations has tended to mirror recent findings of the Peel District school board: where there are concentrations of low income, there also tend to be concentrations of nine social risk factors that the School Board has identified as putting children at risk in their education. Appendix II-1 compares the School Board's mapping of risk factors to Regional staff's mapping of concentrations of low income (Appendix II-2). In the School Board map the areas of highest risk are in red and yellow; in the Regional map the coloured areas all fall above the average incidence of low income in Peel. The Regional map also identifies social housing locations, and shows their dispersal over a range of mixed-income neighbourhoods.

**c) Who is most affected in Peel: Vulnerable Groups**

Several population groups are identified in national research at high risk of long-term poverty. Peel is no exception to the national pattern. These groups have significantly higher rates of low income than the average, and this has held true for the most recent Census as well as the previous Census, although some groups have done better than others in the interim. These vulnerable groups include:

- Visible minorities
- Recent immigrants
- Single parents
- Unattached seniors, especially women
- Persons with disabilities
- Families with young children

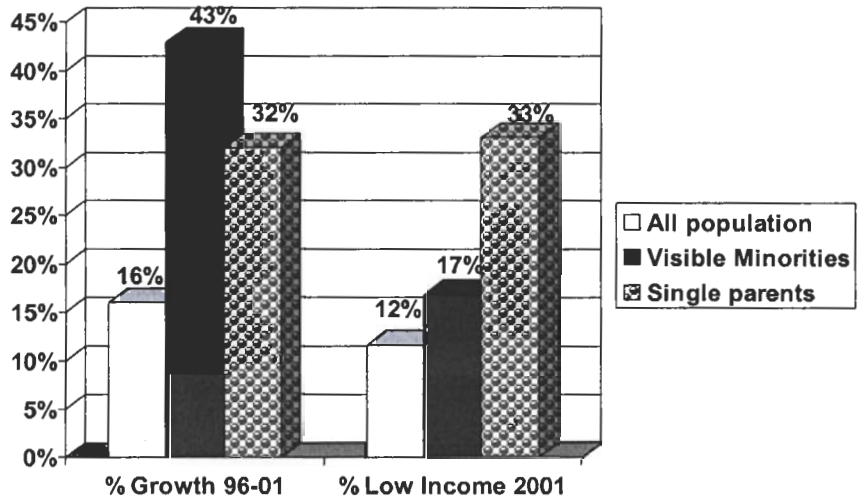
Appendix III is a summary table of the incidence and numbers of low income for each of these groups, for Ontario, Peel and the Area Municipalities, from the 2001 census.

What is important about these findings to Peel is that the people most vulnerable to poverty are among the fastest growing components of Peel's fast growing population. The largest of these vulnerable population groups, in absolute numbers, is visible minorities, which now comprise almost 40 per cent of Peel's population. Moreover, this group overlaps with recent immigrants, who are also among the most vulnerable to low income, and ultimately, to long term poverty. The family group with the highest incidence of low income is single parents, at 33 per cent. While there has been some reduction in their low income rates in recent years, single mothers in particular are at greater risk of low income than any other family type.

One small group in numbers, which is disproportionately represented in the low income category, is unattached seniors, of whom almost 80 per cent are women. While the seniors' population as a whole is not among those at highest risk of low income, unattached seniors are one group that actually has a higher incidence of low income in Peel than the rest of the Province and the country.

**STRATEGIC REVIEW OF POVERTY IN PEEL**

**Per cent Growth of Vulnerable Groups 1996-2001**



**d) Children**

Recent immigrants and single parents care for a large portion of the youngest children in Peel. The rate of low income among children is higher than the population as a whole, and young families are more likely than others to be in low income. About one child in seven in Peel were still in low income in 2001 (14.4 per cent). Visible minority children now make up some 64 per cent of all children in low income in Peel.

The social risk factors identified by the Peel District School Board are based on extensive research on their consequences for children's development and education. Low income is a key aspect of these risk factors.

**3. What We Are Doing**

The Task Force is one of a number of tables where Peel staff is collaborating with community organizations to address social issues, which relate frequently to poverty and the people who are most vulnerable to poverty. Strategic collaboration is the key to addressing these issues.

"Portraits of Peel - Facing the Facts" was a collaborative community effort involving the United Way of Peel, Peel Social Services Department, Peel Social Planning Council and the Fair Share Task Force, which put a face to many of the people at high social risk. It is no coincidence that the people profiled in that report, published in May, came largely from the vulnerable groups identified in this report today. In the six profiles, there were two single mother families, a recent immigrant couple, an unattached senior woman, a person with a disability and a homeless person. These are the clientele of many of Peel's social agencies.

## **STRATEGIC REVIEW OF POVERTY IN PEEL**

The Region is directly engaged as well in supports for families and individuals most affected by low income and poverty, through its provision of social assistance, hostels and homelessness services, child care subsidies and social housing. Long term care and public health programs also provide essential supports for groups that are vulnerable to low income. Over the years Council has supported numerous innovative inter-departmental programs to address root causes of the stresses on vulnerable people.

### **CONCLUSION**

The Region of Peel is enriched by the diversity of our population. Information and understanding about Peel's diversity and evolution is key to ensuring that social supports, that help families, adults and children to realize their potential, are available.

The findings of the Strategic Review on Poverty will be used to inform all the stakeholders and partners in a growing strategic collaboration, for:

- advocacy with senior levels of government,
- collaborative new social and labour market programs, and
- joint supports for neighbourhood capacity-building.

Staff will be engaging the community to develop an action plan to reduce the incidence of poverty wherever possible, as well as mitigating its effects and will report back to Council on this plan in 2006. This work will also help to inform the continued application and monitoring of the Regional Official Plan and the development of the Liveable Peel initiative.

Truly preventative measures cannot be effectively mounted by any one agency or government alone. They will require the engagement and commitment of every sector of the community.

October 20, 2005

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c. Legislative Services

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Appendix I  
Before Tax Low Income Cutoffs (LICOs)  
Communities with populations greater than 500,000 people

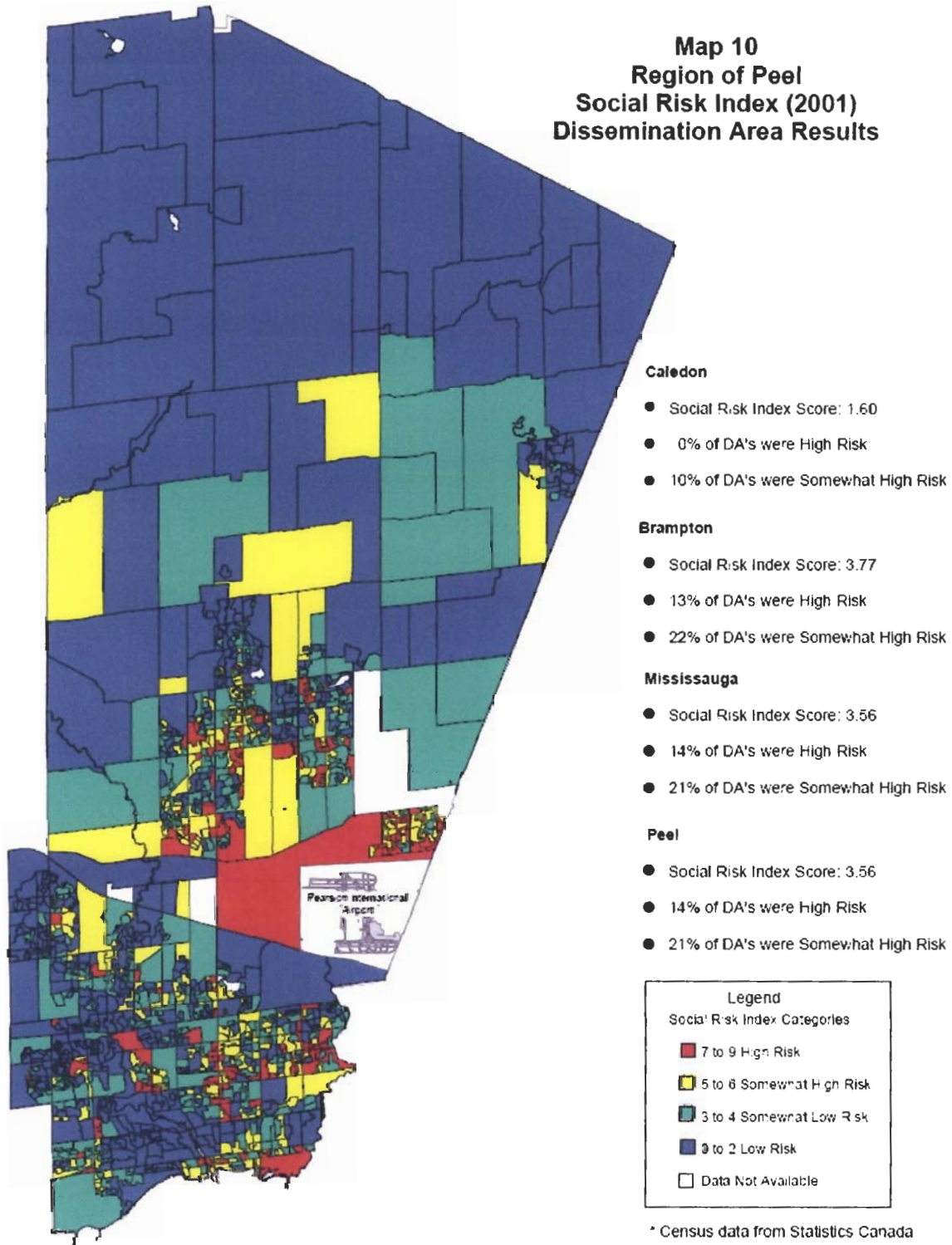
Family Size	2000 (as of 2001 Census)	2004
Unattached individual	\$18,371	\$20,337
Two person family	\$22,964	\$25,319
Four person family	\$34,572	\$37,791

Notes: This table uses the 1992 base. Income refers to total pre-tax household income.

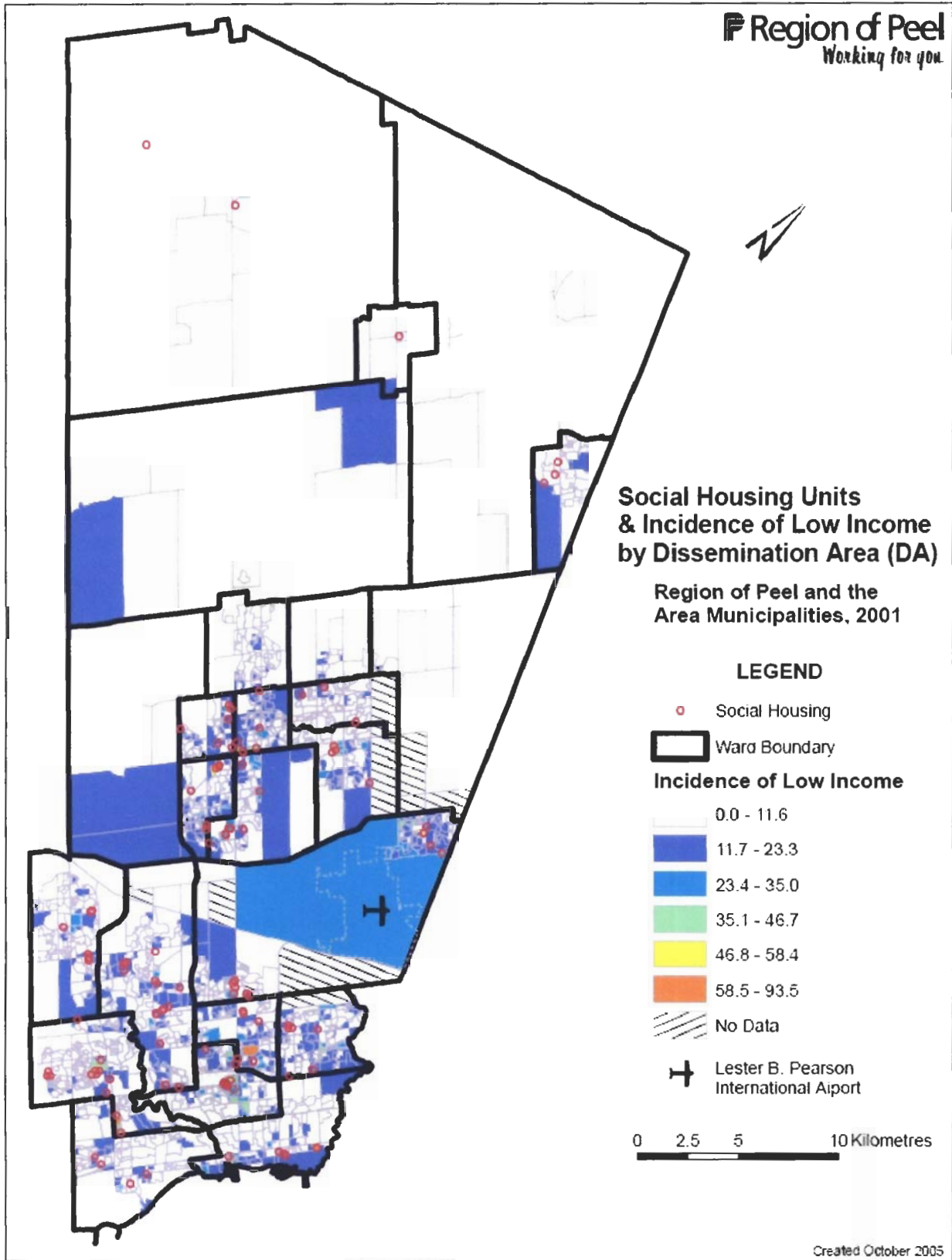
Source: Prepared by the Canadian Council on Social Development using Statistics Canada's Low Income Cut-Offs, from Low income cut-offs for 2004 and low income measures for 2002 Catalogue # 75F0002MIE2005003

STRATEGIC REVIEW OF POVERTY IN PEEL

**Map 10**  
**Region of Peel**  
**Social Risk Index (2001)**  
**Dissemination Area Results**



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## STRATEGIC REVIEW OF POVERTY IN PEEL

**Appendix III**  
**Incidence of Low Income among Vulnerable groups in Peel**  
**(Highest number and per cents in bold)**

<u>Population</u>	<u>Ontario</u>	<u>Peel</u>	<u>Mississauga</u>	<u>Brampton</u>	<u>Caledon</u>
Total Population					
Persons in low income	1,611,505	114,505	77,155	35,045	2,305
Per cent in low income	14.4%	11.6%	12.7%	10.8%	4.6%
Visible Minorities					
Persons in low income	555,955	<b>63,505</b>	45,135	18,135	235
Per cent in low income	25.9%	16.8%	18.4%	13.9%	9.4%
Recent Immigrants					
Persons in low income	212,830	<b>25,750</b>	20,770	4,920	60
Per cent in low income	40.0%	<b>32.0%</b>	35.0%	24.0%	18.0%
Children under 18					
Persons in low income	455,965	<b>37,570</b>	25,365	11,475	730
Per cent in low income	17.0%	14.4%	16.1%	12.9%	5.3%
Families with children <18					
Persons in low income	230,145	18,040	12,265	5,435	345
Per cent in low income	16.0%	13.0%	15.0%	12.0%	5.0%
Lone Parent Families children <18					
Number in low income	107,380	5,865	3,685	2,070	110
Per cent in low income	43.0%	<b>33.0%</b>	34.0%	32.0%	17.0%
Persons with Disabilities					
Persons in low income	396,665	20,955	13,875	6,640	440
Per cent in low income	21.0%	17.0%	18.0%	16.0%	7.0%
Unattached Individuals					
Persons in low income	445,710	18,615	12,315	5,875	425
Per cent in low income	34.0%	28.5%	29.0%	30.0%	17.0%
Unattached Seniors					
Persons in low income	141,750	6,295	4,290	1,905	95
Per cent in low income	36.0%	<b>46.0%</b>	46.0%	50.0%	15.0%
Unattached Senior women					
Persons in low income	112,620	5,030	3,410	1,550	75
Per cent in low income	39.0%	<b>50.0%</b>	50.0%	55.0%	17.0%