

A PROFILE OF THE WORKING POOR IN CANADA

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Abstract

In Canada, recent economic growth and social assistance reform have furthered labour market participation and have brought about a significant reduction of welfare caseloads. However this did not translate into an increase in the economic well-being of all Canadians, as a large number of individuals and families are still poor even though they are working. Results using a new definition indicate that in 2001 there were about 460,000 working poor in Canada or close to one million individuals when this group is extended to include their dependants. Furthermore, although the majority of working poor was working on average full time/full year in 2001, the depth of low income of working poor families was almost as high as that of non-working poor families.

Disclaimer

There is no official definition of poverty in Canada. Poverty is a complex notion that can have various meanings such as lack of social inclusion, being in low-income or being deprived of basic necessities, and that can be measured in many ways. For the sake of efficiency of language as well as to be consistent with international terminology *people living in low income are portrayed as being poor throughout this article.*

1. INTRODUCTION

There is a common belief among industrialized countries that work and poverty are mutually exclusive, i.e. anyone who has a job should be able to live decently. However, it is not always the case. In Canada, in 1943 Marsh stated in his report on social security¹ “If earning power stops all else is threatened” (p.9). At the same time, Marsh recognized that personal and family characteristics could also contribute to poverty and suggested a social safety net that would protect Canadians from major disruptive life events (such as job loss or sickness). Although the number of working poor persons was high in the 1960s² and drew the attention of researchers, it did not translate into the development of programs or policies to specifically help this part of the population. Instead, the focus was on support for persons outside the labour force. During the 1970s the pace of economic growth slowed, earnings inequality began to increase, young workers’ wages seriously deteriorated and there was a proliferation of precarious jobs (Corak, 1998). Furthermore, in the mid 1990s’ provinces redesigned their welfare programs which led to a substantial decrease in the number of social assistance recipients (on average -40.6% between 1994 and 2002³) and a heightened interest in the working poor issue among social policy experts in Canada.

¹ Marsh (1943).

² See statistics on the ‘working poor’ in Podoluck (1968), pages 187-188.

³ Karabegoviæ, Amela (May 2003).

As Hess points out⁴ “It is a cruel irony that individuals (and families) who are fulfilling societal expectations to be employed and self-supporting are struggling to make ends meet.” This was echoed by Leach and Sikora⁵ who emphasized that “working poor families are families who are ‘playing by the rules’ by working and contributing to the productivity and prosperity (of the country)...but yet struggle day to day to meet their basic needs.” In some instances, not meeting basic needs means lacking food and/or housing. For example, according to the Daily Bread Food Bank in 2001 around 4,200 working poor households were using food banks in the Greater Toronto Area (GTA) up from about 2,700 households in 1996, a 56 percent increase. Furthermore, 30 percent of working food bank users in the GTA ranked high rents, poor housing and the threat of homelessness as their first or second most pressing concern⁶.

While the United States have been monitoring the working poor for almost 15 years and European countries started to do so lately, in Canada there is no shared definition of the working poor among experts and very little is known about this group. This paper offers a new definition of the working poor that is relevant both for research and for policy-making and draws a descriptive profile of the working poor in Canada based on data from Statistics Canada’s Survey of Labour and Income Dynamics (SLID). This profile provides answers to the following questions: What proportion of workers was poor in 2001? How many Canadians were living in a family headed by a working poor? What are the main factors associated with being poor among workers? Do the working poor show a weaker attachment to the labour market than other workers?

The following section reviews the literature on the working poor, emphasizing Canadian findings. Section three reviews the literature on working poor definitions used in North America and in Europe and on the outcomes associated with poverty. Then, new definitions of the working poor are presented. This is followed by a contrast of low-paid individuals and the working poor, and a discussion of the data used in this research. Section four presents the profile of the working poor in Canada. Then, in section five, the

⁴ Hess, Mélanie (1994).

⁵ Leach (2003).

⁶ Daily Bread Food Bank, Toronto (2002)

characteristics of working poor Canadians are compared to those of working poor persons living in other countries. The paper concludes by summarizing the main findings on the working poor and by raising relevant research and policy questions relating to the working poor problem.

2. LITERATURE REVIEW

In Canada, few organizations have looked into the working poor issue. In 1981, the National Council of Welfare (NCW) prepared a statistical profile of the working poor⁷ in Canada. Some of their main findings were the following: the number of working poor declined steadily over 1973-1977 both in absolute and in relative terms. In 1977, the working poor were highly urbanized; they were more likely to work in the service, sales, farming, fishing or clerical jobs and they were a lot less likely to be employed full year, although few of them received income from social assistance. The working poor were also much more likely than the non-poor to depend on only one earner. Finally, a majority of working poor Canadians were unattached individuals as opposed to being part of an economic family. The NCW updated the profile of the working poor in subsequent Poverty Profile publications. In 1998, the NCW presented a few statistics on children living in working poor families in their *Child Poverty Profile 1998*. According to their definition, there were 311,000 poor children living in families where the major income earner worked full time, full year (FTFY) in 1998. Of children who lived in two-parent families where the major income earner worked FTFY, only 5.6 percent were poor. The rate was 18.9 percent for children living with single-parent mothers who worked FTFY. In 2000, the Canadian Council on Social Development (CCSD) also prepared a profile of the working poor in Canada using their own definition⁸. Their findings were quite similar to those of the NCW.

⁷ The NCW define the working poor as any economic family whose income is below Statistics Canada's low income cut off and who earned more than half of that income from wages and salaries or from self employment (see National Council of Welfare (1981) and National Council of Welfare, *Poverty Profile*, 1985, 1988, 1992, 1997 and 2002 editions).

⁸ The CCSD define the working poor as non-elderly households (under 65) whose adult members have, between them, at least 49 weeks of either full-time or part-time work during the year.

Very little research has been done to date on the outcomes associated with being working poor. However, as the working poor are a sub-group of the poor it can be expected that they share many of their traits.

A review of the literature shows that children living in poor families have more than twice the incidence of chronic illness and physical and developmental disability as children living in non-poor families. They are also more likely than those who are not poor to have problems with their vision, hearing, speech, and mobility. In addition, poor children score lower on measures of cognition and school achievement, and they are twice as likely to drop out of school as their non-poor peers. Furthermore, children in poor families are more likely than children in non-poor families to have social impairments and psychiatric, emotional, hyperactivity, and conduct disorders as well as being more likely to display anti-social and aggressive behaviours. Children experiencing persistent poverty are at even greater risk than children experiencing sporadic and/or short-term poverty⁹. Finally, children in working poor families, specifically, are more likely to be overweight than children from more affluent families and children from non-working families¹⁰. These risks faced by poor children undermine their ability to grow and develop into healthy independent adults.

Poverty can also have impacts on behaviours. As shown by Child Trends (2003), in the US children in working poor families, in particular, fall behind on behavioural measures. In 2001, 16 to 19 percent of children in working poor families were suspended or expelled from school, compared to 12 percent of children in modest income families and nine percent of children in middle-to-upper income families. Furthermore, 10 to 13 percent of children in working poor families had repeated a grade, compared to only 6 percent of children in middle-to-upper income families.

Links can also be made between poverty and poor housing. According to the National Homelessness Secretariat (2002), affordability problems¹¹ are highly concentrated among low-income renters who fall

⁹ Kornberger, R. & al (2001).

¹⁰ Charlottesville/Albemarle Commission on Children and Families (2003).

¹¹ I.e. accommodation consumes more than 30 percent of before-tax household income.

below Statistics Canada's Low Income Cut-Off. Women are significantly more likely to experience problems, with older single women and younger female lone parents being the most vulnerable¹². Furthermore, according to the Canadian Policy Research Networks, inadequate housing directly affects child health and well-being¹³.

Finally, poverty can also have impacts on civic engagement. According to Uslaner and Brown (2001), participation in America is becoming more unequal: The well-off have always participated more than the poor and the rising income gap may exacerbate the skew in civic engagement. A greater class skew in participation is likely to mean that the views of the well-off are more likely to be heard than those with fewer resources. In short, the working poor are likely to encounter health, housing and behavioural problems as well as to experience lower civic engagement.

The working poor phenomenon is not a preoccupation solely in Canada. The United States Bureau of Labour Statistics (BLS) has been monitoring this group for almost 15 years. As reported in Gardner and Hertz (1992): "For many years policy makers, analysts, and workers have been interested in the relationship between work and the poverty status of families. Interest escalated in the 1960's when many poverty-reduction efforts were put into place for the first time. In the early 1980's, the Bureau of Labour Statistics (BLS) began analyzing the relationship between work and the economic status of families, and published data annually from 1982 to 1987 in bulletins titled *Linking Employment Problems to Economic Status*. In 1989, BLS researchers Bruce Klein and Philip Rones developed a new method for linking individuals' labour market efforts to the poverty status of their families (p.20)". Since then, the BLS has published a profile of the working poor¹⁴ on many occasions.

¹² See Moore, Eric and A. Skaburskis (2002).

¹³ See Cooper (2001).

¹⁴ The BLS define the working poor as individuals who spent at least 27 weeks working or looking for work but whose incomes fall below the official poverty line.

More recently, the working poor have gained attention in Europe. In 2001, the Swiss Federal Economy Department (Département Fédéral de l'Économie) commissioned researchers to prepare a statistical profile of the working poor¹⁵ in Switzerland. The Department also undertook consultations with various Swiss organizations (anti-poverty groups, union of workers, union of managers, etc.) in order to get their views on potential policies to alleviate poverty among workers. In 2003, Eurofound¹⁶ (an agency set up by the European Council to contribute to the planning and design of better living and working conditions in Europe) also commissioned researchers to look into the issue of working poverty¹⁷. As a result they published in February 2004 a document titled *Working Poor in the European Union* which not only looks at the characteristics of the working poor but also at policies and programs that support the working poor in Europe. Finally, the South Koreans also track the number of working poor in their population¹⁸. The main findings on the working poor living in other countries are summarized in section five.

¹⁵ The Swiss Federal Statistical Office define the working poor as 1) all 'active' individuals, regardless of the number of hours they work; or 2) all individuals working full-time (i.e. 36 hours or more weekly) whose family income fall below the cost of a 'moderate' rent plus a basic health insurance premium plus the Confédération Suisse des Institutions d'Action Sociale's 'vital' minimum.

¹⁶ Eurofound carries out research and development projects to provide data and analysis for informing and supporting the formulation of EU policy on working and living conditions. The Foundation has a network of experts throughout Europe who conduct research on its behalf including assessing the current national situations, the preparation of case studies and national reports and the conducting of surveys. As part of its research base, the Foundation maintains a number of key monitoring tools, such as the European Industrial Relations Observatory (EIRO), European surveys on working conditions and Monitoring Quality of Life in the EU. In November 2002, it launched the European Monitoring Centre on Change (EMCC) web portal, which will act as an information source focusing on aspects of economic and social change.

¹⁷ One of the definitions used by Eurofound to identify the working poor is the following. The working poor are those individuals that worked at least six months in the prior year and whose income falls under 60 percent of the national equivalised median income.

¹⁸ The Chosun Ilbo (March 2004).

3. THEORETICAL FRAMEWORK AND DATA

As shown previously, countries have different ways of identifying the working poor¹⁹ and although a few Canadian organizations have looked into this issue there is no shared definition of the working poor²⁰ in Canada.

Criteria used in Canada have limitations. The National Council of Welfare (NCW) defines the working poor as households where at least 50 percent of the family income comes from wages, salaries or self-employment. This means that the work level threshold is variable, i.e. it changes from one family to another. Let's look at an example to see the implications of using such a definition. As shown in table 3, families A and B have similar composition but members of family A worked two times more than members of family B, yet family A would not qualify as 'working poor' while family B would. Clearly, this definition is biased towards families earning higher hourly wages. Using a working poor definition based on the percentage of income coming from earnings will lead to results that are counter intuitive, i.e. the 'working poor' population could exclude people working more hours but at lower wage rates.

The Canadian Council on Social Development (CCSD) requires that all adult members have, between them, at least 49 weeks of either full-time or part-time work to be identified as working poor. This is a very restrictive work criterion, particularly for unattached individuals. Finally, the Canadian Policy Research Networks (CPRN) considers only full time/full year earners, which is an even more stringent work criterion. Furthermore, in this case the poverty threshold is set at \$20,000 per individual and does not take into consideration the income of all family members to decide if an individual is poor or not²¹. In fact the CPRN definition is closer to a definition of low-paid workers²² than to a working poor definition.

¹⁹ See table 1 for a summary of working poor definitions used in the US, Australia, Korea and European countries.

²⁰ See table 2 for a summary of working poor definitions used by Canadian organizations.

²¹ See Maxwell, Judith (2002).

²² See section four for a comparison of low-paid workers and the working poor.

Criteria used by other countries to identify the working poor provide some insight into the elements of a ‘good’ working poor definition. For instance, many countries use the number of hours worked to define the labour force attachment or the work level. However, some of the definitions are too stringent work-wise and the poverty thresholds differ significantly from one country to another. Furthermore, some of the poverty thresholds have theoretical flaws²³.

Therefore, because of the limitations of existing national and international definitions it was decided to develop a new definition of the working poor, one that would resolve some of the issues mentioned above.

3.1 A New Working Poor Definition

In order to develop a working poor definition that recognizes that the family is a source of well-being and that is both operationally feasible and useful to policy-makers, three questions need to be answered.

1. What is a worker?
2. Who lives in poverty?
3. How should the concepts of work and poverty be combined to derive a meaningful working poor definition?

3.1.1 What is a worker?

Three criteria are used to identify workers in the new working poor definition: the main activity, age and labour force attachment of individuals.

- *Age/Main Activity* – Individuals under 18 and full-time students are excluded from the definition as jobs are often transitory for these groups, taken on to provide a supplementary income while they are studying and not reflective of their ability to achieve long term economic and social goals. Individuals aged 65 and over are also excluded as the majority of them are likely to be retired.

²³ See later comments on poverty measures.

- *Labour Force Attachment* – The focus is on individuals working for pay at least 910 hours per year, as these individuals show a relatively strong labour force attachment. Indeed, 910 hours of work per year is the equivalent of 26 weeks of work at an average of 35 hours per week; and 35 hours is about the average number of ‘normal’ hours worked by Canada’s working population²⁴.

As a result, the definition of a worker is the following: ‘*A worker is an individual aged 18 to 64, who is not a full-time student and worked for pay at least 910 hours in the reference year*’.

3.1.2 Who Lives in Poverty?

There is an ongoing debate around the definition and the measurement of poverty. Should poverty be defined as a lack of social inclusion, being in low-income, or being deprived of basic necessities? Should absolute, relative, subjective or hybrid measures be used to quantify poverty? The intention of this paper is not to resolve these issues. Instead, using some of the measures that are already available in Canada should help us identify the working poor.

There is no official definition of poverty in Canada. However, three measures of low income are common to policy and popular discussions in our country: the low-income cut-off (LICO)²⁵, the low-income measure (LIM) and, more recently, the market-basket measure (MBM). Statistics Canada defines a LICO as a threshold below which a family is likely to spend significantly more of its income on food, shelter, and clothing than the average family. In 1992, Statistics Canada tabulated different LICOs using the Family Expenditure Survey (FAMEX) for various family types and size of area of residence. Since then, the

²⁴ The average number of ‘usual’ (normal) hours worked by Canada’s working population was 36.3 hours in 2003 for all genders (see Statistics Canada: Labour Force Survey). For statistical purposes, in the SLID and in the Labour Force Survey full time work is defined as working 30 hours or more per week.

²⁵ It should be noted that “Statistics Canada has clearly and consistently emphasized, since their publication began over 25 years ago, that the LICOs are quite different from measures of poverty and that this agency does not endorse their use as such. They reflect a consistent and well defined methodology that identifies those who are substantially worse-off than the average. In the absence of an accepted definition of poverty, these statistics have been used by many analysts who wanted to study the characteristics of the relatively worse off families in Canada. These measures have enabled Statistics Canada to report important trends such as the changing composition of this group over time.” (Statistics Canada, December 1999)

LICOs have been updated annually using the Consumer Price Index (CPI). The LICO has two main limitations: 1) it does not take into consideration variations in the local cost of living; and 2) it is a relative measure of low income with an arbitrary threshold²⁶. However, LICOs are used by many in the media, researchers and policy-makers and, as they have been computed for many years, and allow for comparisons over time.

The low-income measure (LIM) is defined as half the median income adjusted for family size. Like the LICOs it is a relative measure of low income, rising and falling with median incomes. However, it is useful for doing international comparisons since most international comparisons are done using similar measures.

The market basket measure (MBM) threshold represents a standard of living somewhere between subsistence and inclusion. It is derived using the actual cost of goods and services rather than being a 'relative' indicator of low-income. The MBM is sensitive to geographical variations in the cost of living and to family size and composition. However, one current drawback of the MBM is that it is a brand new measure and as such, can not yet allow for historical comparisons. According to the MBM a person in low-income is someone whose disposable family income falls below the cost of the goods and services in the Market Basket in their community or community size.

To summarize, the LICO are used by many as a poverty line (however inappropriate) and provide a historical perspective on low income. The MBM presents a different perspective on low income but is only available for year 2000. Consequently, it was decided to use the LICO-IAT²⁷ to identify who is 'poor' in the working poor definition.

The reader will note that for the sake of efficiency of language as well as to be consistent with international terminology *people living in low income are portrayed as being poor throughout this article*. Therefore,

²⁶ More precisely, "base year low income cut-offs are set where families spend 20 percentage points more of their income than the Canadian average on food, shelter and clothing." (Statistics Canada, December 1999).

²⁷ Low Income Cut-Off – Income After Tax.

expressions such as ‘working poor’ or ‘working non-poor’ in truth refer to individuals and/or families who live in low income (or not). The resulting definition of ‘poverty’ is the following: *‘Individuals are poor if their after-tax family income²⁸ falls below their LICO-IAT.’*

To illustrate what it means to be ‘poor’ let us look at the case of an economic family of four (two adults and two children) living in Toronto. According to the relevant Statistics Canada LICO, a family of four would be identified as poor if its after-tax income was below \$29,163 in 2000²⁹. According to the MBM, in 2000 a family of two adults and two children would need a minimum of \$19,493 to cover the cost of food, shelter and transportation in Toronto³⁰ (the equivalent of 67% of the LICO). Consequently, based on the MBM for Toronto a family of four with an after-tax income of \$29,163 in 2000 would have been left with only \$9,670, or \$806 per month, to cover all other expenses including child care, clothing, etc.

3.1.3 Who are the working poor?

In the case of individuals, it is easy to arrive to an operational working poor definition simply by combining the concepts of work and poverty. However, in the case of families the two concepts cannot be combined in a straightforward manner as the definition of a worker focuses on individuals while the definition of poverty focuses on a group of individuals (the economic family³¹). There is no rationale to require that all adults in a family be working to be part of the working poor population as a number of families still follow the ‘classical’ model, i.e. the father is the sole bread winner. Therefore, for a family to be part of the working poor only one member of the family has to fit the proposed worker definition.

²⁸ As defined by Statistics Canada, the family income is the income from the following sources: wages and salaries, net income from self employment, investment income, government transfer payments, pensions and miscellaneous income.

²⁹ See table 4 for 2001 LICOs.

³⁰ See Human Resources Development Canada (May 2003).

³¹ Statistics Canada defines an economic family as “a group of individuals related by blood, marriage or adoption, who shared a common dwelling unit at the time of the survey.” (Statistics Canada, 1999).

As a result of the above considerations, definitions of working poor individuals and working poor families are the following: Working poor individuals are those individuals aged 18 to 64 who have worked for pay a minimum of 910 hours in the reference year, who are not full-time students, and whose family income falls below the LICO-IAT and Working Poor Families are defined as those economic families where at least one member is a working poor individual.

3.2 Low Paid Workers versus Working Poor

Before moving to the working poor profiles using the proposed definitions, it is essential to make a distinction between low-paid workers and the working poor to avoid confusion between the two concepts.

Being a working poor person does not necessarily imply being low paid as demonstrated by data. Indeed, assessing the link between low pay³² and poverty using the SLID, the data show that in 2001, 53 percent of the working poor were low-paid but only 18 percent of low-paid workers were poor (see diagram 1). How can this be the case?

A low-paid worker is an individual whose annual earnings are low while a working poor person is an individual whose economic family income falls under a poverty threshold. In the first case, only the individual's income determines if he/she is low paid while in the case of the working poor, the income of "all individuals related by blood, marriage or adoption" to the working poor person who shared a common dwelling unit determines if he/she is poor. For instance, an individual working full time/full year at the minimum wage is considered to be low-paid. However, if this individual has a spouse earning \$100,000 per year than he/she obviously is not a working poor person. Consequently, the working poor are often a subset of low-paid workers. However the reverse is less true, i.e. most low-paid workers are not poor.

This finding of a weak link between low pay and poverty is consistent with US and European data. For instance, according to Eurostat in 1996 eighty percent of low wage workers in the European Union were

³² Following the CPRN, low paid individuals are those individuals working full time/full year and earning \$20,000 or less per year.

not poor. It is therefore important to recognize that low pay and working poverty are dissimilar issues and that they could call for different policy interventions.

3.3 Data

All results presented in this article are based on the main file of the Survey of Labour and Income Dynamics (SLID). The SLID has the ability to allow for both cross-sectional and longitudinal analysis. A new panel of more than 30,000 households is created every three years and each panel stays in the sample for six years. Since 1993 two panels (1993-1998 and 1996-2001) have been completed and a third panel has been started (1999-2004).

This study is limited to cross-sectional analysis and uses the most recent year for which data are available (2001) to draw the profile of the working poor. The cross-sectional sample of the SLID contains close to 78,000 observations for 2001 because it includes information from two overlapping panels (the second and third panels). However, as only part of the available information was used (the focus is on individuals aged 18-64 who are not full-time students) about 40,000 unweighted individuals are left in the sub-sample.

4. WORKING POOR PROFILE

The number of working poor individuals declined on average by 4.5 percent (annual average rate) from 1996 to 2001 in Canada. In 2001 there were 460,000 working poor individuals (see table 5d). Apart from the steep decline in 1998 (-13.3%) and 2000 (-5%), the reduction in the number of working poor individuals in other years was small (-0.5% in 1997, -1.2% in 1999 and -1.9% in 2001)³³. Despite recent economic growth, the proportion of workers among the poor did not decline. On the contrary, while this

³³ We can not explain, with descriptive statistics alone, why the number of working poor has decreased during this period. Only longitudinal analysis will help provide an answer to this question. The forthcoming paper by Fleury, Dominique & M. Fortin *Les déterminants du faible revenu de court et de long terme chez les travailleurs au Canada* should shed some light on this issue.

proportion persistently decreased in the 1960's and in the 1970s³⁴, the trend levelled off between 1996 and 2001. Indeed, the percentage of poor families that were working went from 40.4 percent in 1996 to 44.5 percent in 2001 (see table 5b).

A break-down of the working poor shows that in 2001 there were 184,000 working poor unattached individuals and 230,000 working poor families. There were on average 1.2 workers³⁵ per working poor family, this compares to 1.6 workers per working families that were not poor. Breaking down the results further, we observe that 11 percent of unattached workers and 4 percent of families where at least one individual was working³⁶ were poor. However, the working poor accounted for about a third (33%) of poor unattached individuals and close to half (45%) of poor families (see tables 5a and 5b). Hence, having a strong attachment to the labour market was not enough to keep those households out of poverty.

Finally, when including dependants, in 2001 close to one million Canadians (964,000) were living in a family headed by a working poor³⁷ of which about one third (307,000) were children under the age of 18 (see table 6).

³⁴ See Podoluk (1961); National Council of Welfare (1981); National Council of Welfare *Poverty Profile*, 1985, 1988, 1992, 1997 and 2002 editions for statistics on the 'working poor' (using different definitions than those used in this paper).

³⁵ A worker is defined as an individual aged 18 to 64 who is not a full-time student and who has worked for pay a minimum of 910 hours in the reference year.

³⁶ As per the definition of a worker.

³⁷ This includes working poor unattached individuals as well as working poor families.

4.1 Work Effort of the Working Poor

In 2001, a majority of working poor Canadians, 64.2 percent, were already working full time/full year (this compares to 81.2% of working non-poor individuals). Breaking down the results, we observe that 55.9 percent of working poor unattached individuals (82.3% of the working non-poor) and 70.6 percent of heads of working poor families (88.9% of the working non-poor) worked full time/full year³⁸. In the case of unattached individuals, the fact that they have a lesser attachment to the labour force appears to be associated with not working year-round (28% worked less than 49 weeks during the reference year) more than not working full time (only 10% worked part-time in their main job). The picture is not so clear for heads of working poor families for whom part year and part-time work seemed to explain about equally their lesser attachment to the labour force (16% worked less than 49 weeks during the reference year and 12% worked part-time in their main job). In conclusion, although the working poor were less likely than the working non-poor to be working full time/full year in 2001, they still showed a relatively strong attachment to the labour market.

4.2 Poverty Depth and Incomes of the Working Poor

The severity of poverty (or poverty depth) indicates how far away the working poor are from the poverty line. It would be hoped that the working poor would be in a better situation than the poor who are not working, where employment revenues provide a higher income than income assistance. While the data show that this is true for unattached individuals, it is not the case for families. Indeed, in 2001 the depth of poverty was 33.8 percent for working poor unattached individuals compared to 43.2 percent for poor unattached individuals that were not working. This means that on average working poor unattached individuals would have needed a smaller increase in their income to reach the poverty threshold compared to the non-working poor.

³⁸ Working full time/full year is defined as working a minimum of 1470 hours per year in the SLID, i.e. 49 weeks per year times 30 hours per week.

However, the situation was rather different for families. In 2001, the average poverty depth for working poor families was 30.3 percent while it was only slightly higher (31.8%) for non-working poor families. Therefore, for families of two persons or more, provided their incomes were below the low income cut-offs, it made little difference in their overall income levels whether they worked a substantial number of hours during the reference year or not. It is also worth noting that although 1996-2001 was a period of economic growth, the depth of poverty of the working poor did not decrease during this period (see graphs 1 and 2).

4.3 Labour Market and Personal Characteristics of the Working Poor

The following sections contrast, for year 2001, the labour market and personal characteristics of the working poor to those of other workers (i.e. workers³⁹ that were not poor). Results reported in this section can be found in tables 7, 8, 10 and 11.

One of the most striking findings of this study is that the working poor worked on average as much as their non-poor counterparts but for little more than half the wage. In particular, heads of working poor families (working poor unattached individuals) worked on average 2220 hours (1946 hours) per year compared to 2218 hours (2074 hours) per year for other workers. Nevertheless, the working poor were about four times as likely to have between 910-1,470 hours of paid work as their non-poor counterparts. Turning to earnings of the working poor, data show that heads of working poor families (working poor unattached individuals) earned on average \$11.66 (\$11.81) per hour compared to \$20.05 (\$19.20) per hour for other workers. It is worth mentioning that although the hourly wages of the working poor were very low compared to those of their non-poor counterparts, they were still way above the highest minimum wage available in 2001 in Canada (\$8.00 per hour in British Columbia).

The working poor had other labour market characteristics which made them different from other workers. First, *they were more likely to report more than one job during the year.* Indeed, 77.9 percent of heads of

³⁹ As per the proposed worker definition.

working poor families (69.3% of unattached working poor) reported having only one job during the year compared to 84.8 percent (81.5%) of the working non-poor. They were also *twice as likely to work in the sales and services industry or to work for small enterprises*. In fact, 35.2 percent of heads of working poor families (39.5% of working poor unattached individuals) were working in the sales and services industry compared to 17.9 percent (18.9%) of the working non-poor. Also, 70 percent of heads of working poor families (62.4% of working poor unattached individuals) worked for small enterprises compared to 38 percent (32.6%) of other workers. Third, *heads of working poor families were almost three times more likely to be self-employed* (47.7% of heads of working poor families reported some self-employment during the year compared to 16.5% of other workers). Finally, *a large part of their family income came from government transfers*. In particular, 28 percent of the income of heads of working poor (23% of the income of unattached working poor) came from government transfers compared to 4 percent (3.2%) for other workers).

Working poor unattached individuals also had personal characteristics which made them unlike their non-poor counterparts. In particular, they were *three times more likely to be young*. In fact, 24.5 percent of working poor unattached individuals were aged 18 to 24 compared to 8.1 percent of other workers. The working poor were also *over two times more likely to have a work limitation* (17% compared to 6.9% for other workers). And they were *less likely to be well-educated* (17.7% had a university degree compared to 25.4% of other workers, and 22% had less than a high school diploma compared to 10.7% of the working non-poor).

The same was true for heads of working poor families, who were *somewhat more likely than other workers to be women*. More specifically, 41.3 percent of heads of working poor families were women compared to 32.5 percent of heads of working non-poor families. They were also *almost three times more likely to be a recent immigrant or an Aboriginal living off-reserve* (17% versus 5.9%); and *twice as likely to have a work limitation* (11.5% compared to 6%). Heads of working poor families were also *half as likely to have a university degree* as other workers (11.1% as opposed to 21.7%) *but more likely to have less than a high*

school diploma (21.8 compared to 14.2). Finally, they were *over twice as likely to be either separated, divorced or widowed* (19.2% versus 8.6 %).

In short, in 2001 the working poor worked on average a relatively high number of paid hours but for low wages. They were more likely than other workers to have unstable jobs, to work in the sales and services industry or for small enterprises, to be self-employed and to be dependent on government transfers. They were also more likely to be women, a recent immigrant, an Aboriginal living off-reserve or to have a work limitation; to be either separated, divorced or widowed; and to be less educated.

4.4 Characteristics of Working Poor Families

In 2001, the working poor did not only differ from other workers with regards to their personal and labour characteristics but they also had family traits which emphasized those differences. In particular they were *over three times more likely to be lone-parent families* as 18.8 percent of working poor families were lone parents, this compares to 5.8 percent of working non-poor families. The working poor were also *over three times more likely to depend on only one earner* as 58.8 percent of working poor families depended on only one earner compared to 18.2 percent of working non-poor families. As well, they were *almost twice as likely to have three children or more* as 19.2 percent of working poor families had three children or more compared to 11.3 percent of working non-poor families. On the other hand, they were less likely to have no children at all as 23 percent of working poor families did not have children compared to 37.3 percent of working non-poor families.

5. THE WORKING POOR IN OTHER COUNTRIES

How do the characteristics of the Canadian working poor compare to those of the working poor living in other countries? A review of the literature shows that whatever the country they live in, the working poor share many traits. In particular, they are more likely than other workers to work in the services industry

(Canada⁴⁰, the US, EU countries and Switzerland); to be self-employed (Canada, EU countries and Switzerland); to earn low wages (Canada, the US, EU countries and Switzerland); to depend on only one earner (Canada, the US, EU countries); to be young (Canada, the US, EU countries and Switzerland); to be part of a ‘minority’ (i.e. immigrants in Canada, Switzerland and EU countries; blacks and Hispanics in the US); to have a disability (Canada, EU countries); to be less educated (Canada, the US, EU countries and Switzerland); to be lone-parents (Canada, the US, EU countries and Switzerland); and to have more children (Canada, the US, EU countries and Switzerland).

Furthermore, the working poor made an important part of the active population in many countries e.g. 4.9 percent of individuals who were in the labour force for 27 weeks or more in the US in 2001; 7% of workers living in the EU in 1999; 7.1 percent of families in South Korea in 2000; and 7.5 percent of people working for pay in Switzerland in 1999. Therefore, it appears that the working poor dilemma cuts across borders and that it might be appropriate to develop an agenda to deal with this issue not only at the national level but also internationally (e.g. through the ILO⁴¹). Countries would most certainly benefit from each other’s knowledge of the working poor and of the policies and programs that have proved to be the most efficient at helping them.

6. CONCLUSION

As Hess points out⁴² “It is a cruel irony that individuals (and families) who are fulfilling societal expectations to be employed and self-supporting are struggling to make ends meet.” The United States, Switzerland, and more recently Eurofound have been monitoring the situation of the working poor and are trying to grasp the roots and implications of this phenomenon.

⁴⁰ In this instance, Canada means the results that we get using the new definitions of the working poor. Most of the time, these results are also true for other Canadian research on the working poor.

⁴¹ The ILO (the International Labor Office) has already started to look into the working poor issue and has published in March 2004 a document discussing working poverty among women (see ILO 2004).

⁴² Hess, Mélanie (1994).

In Canada, “making work pay” issues are also a challenge. However, most of the time discussions centre on low-wage earners rather than on the working poor. In other words, workers’ vulnerability is assessed through individual earnings rather than through their family income. In fact, few Canadian studies⁴³ consider the economic well-being of workers on the basis of their family income and those studies do not share a common working poor definition. Furthermore, the definitions used are, in our opinion, either too restrictive or not adequate. For these reasons it was decided to develop a new definition of the working poor. The profile of working poor in Canada was based on SLID data for 2001. The main findings of the study are the following:

- *In 2001, close to one million individuals lived in a family headed by a working poor of which about one third were children.*
- *A majority of working poor Canadians, 64.2 percent, were working full time/full year. The working poor worked on average as many hours as the working non-poor. However, they were more likely to work a non-standard number of hours, i.e. they either worked a relatively ‘low’ or a very high number of hours.*
- *Most low paid workers (82%) are not poor. Assessing the link between low pay⁴⁴ and poverty using the SLID, the data show that in 2001, 53 percent of working poor individuals were low-paid but only 18 percent of low-paid workers were poor.*
- *The depth of poverty of working poor families was very similar to that of poor families that were not working. For families of two persons or more, provided their incomes were below the low income cut-offs, it made little difference in their overall income levels whether they worked a substantial number of hours during the reference year or not.*
- *The personal, labour market and family characteristics that contributed the most to being working poor were: to be young, less educated and/or part of a high risk group (i.e. off-reserve Aboriginal, recent immigrant, work-limited); to be self-employed, to work in the sales and services industry and/or for a small business; to be unattached, to be part of a one-earner family, a lone-parent family and/or a family with many children.*

⁴³ See CPRN, CCSD in the bibliography for a list of studies on low wage earners, vulnerable workers, etc.

⁴⁴ Following the CPRN, low paid individuals are those individuals working full time/full year and earning \$20,000 or less per year.

- Finally, a review of the literature indicates that *being poor is associated with an increased likelihood of having health, housing or behavioural problems.*

The results presented in this paper were derived using the LICO-IAT as the sole measure of poverty because it was not possible to get a historical perspective on the working poor using the MBM. However, in the future, it would be interesting to know what happens to the number and profiles of the working poor when this alternative measure of low income is used to identify the poor. In addition, as the results presented here are based on descriptive statistics only it would be interesting to identify through rigorous statistical analysis which of the characteristics above-mentioned better explain low-income among workers. As well, as this paper is limited to cross-sectional analysis it would be important to use longitudinal analysis to assess if being working poor is a temporary or a long term situation. It would also be interesting to know what are the factors associated with remaining working poor for many consecutive years; what factors or events will drive someone to become working poor, and what allows some workers to exit poverty.

Unfortunately, the SLID did not allow for more in-depth analysis of the working poor at the provincial level as the sample sizes are too small. Nevertheless, it would be interesting to find another source of data that would allow us to investigate this issue as the provinces' safety nets most likely have an impact on the number and on the profile of the working poor.

Finally, questions that pertain to the policy arena also deserve our attention, namely: What types of policies and programs already provide support to the working poor and what is their relative efficiency (from an economic and a social point of view). Also, what kind of additional support could be put in place to help the working poor become more self-sufficient and to lower the 'welfare wall' (individuals receiving welfare often find themselves financially better off than if they were working; this is the classic "welfare trap"). Policy initiatives that could be considered include tax credits, earning supplementation, child care subsidies and family-related leave or social support that could possibly benefit all members of working poor families.

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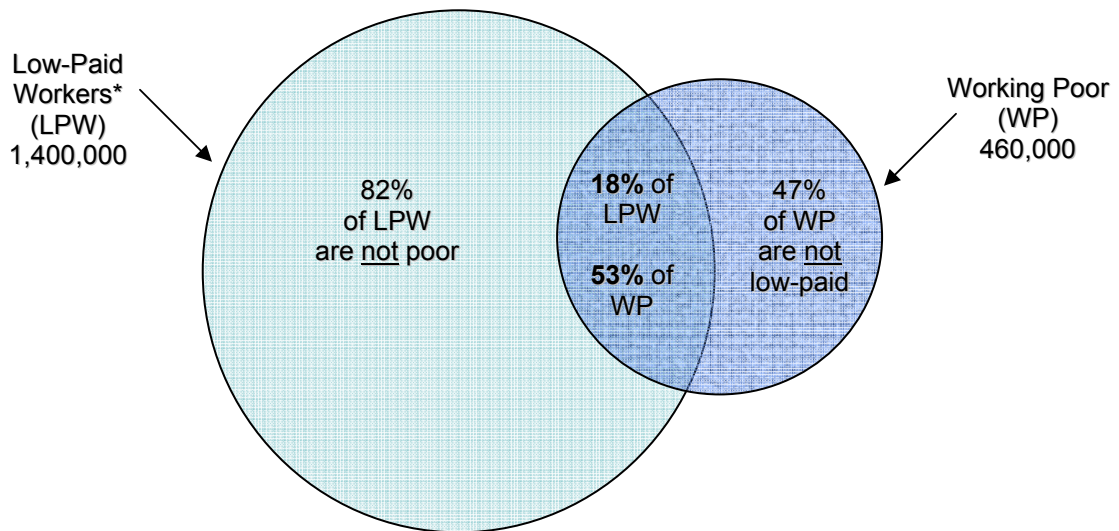
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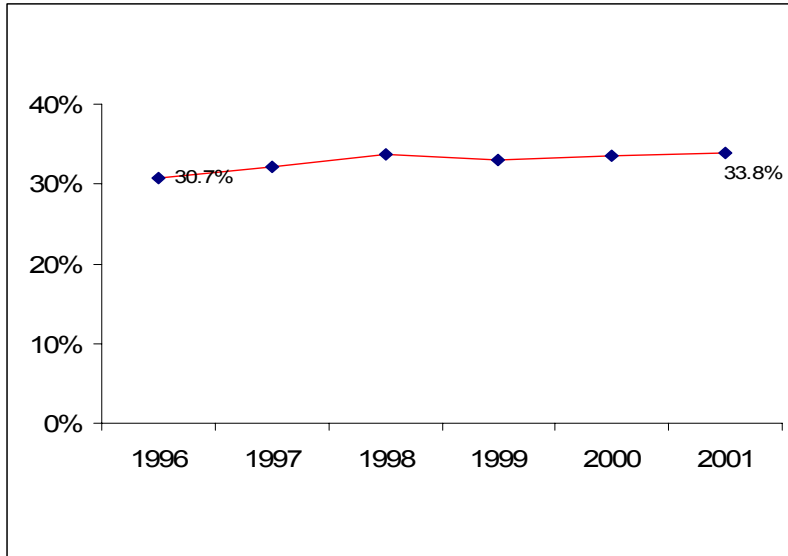
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Diagram 1 – Low-Paid Workers versus Working Poor in 2001



*LPW are individuals working full time/full year but earning less than \$20,000 per year.

Graph 1 Depth of Poverty of Unattached Working Poor, Canada 1996-2001



Graph 2 Depth of Poverty of Heads of Working Poor Families, Canada 1996-2001

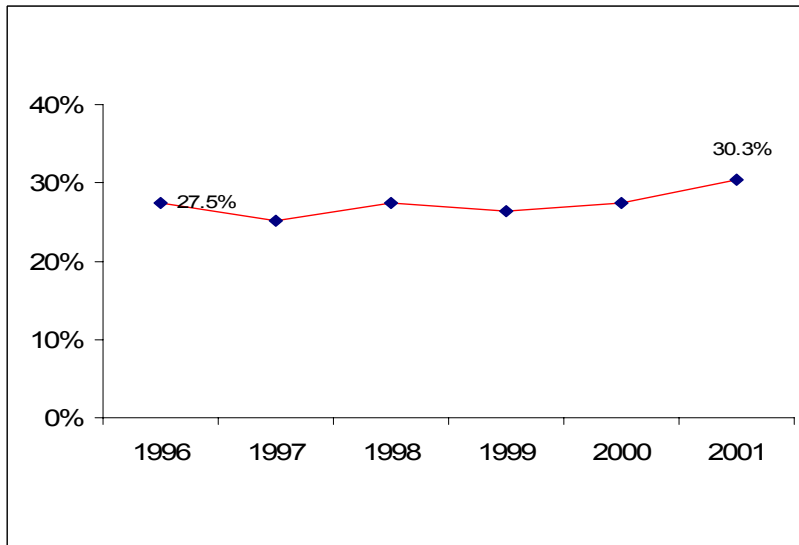


Table 1 Criteria used by the U.S., Australia, South Korea and some European countries to identify the working poor

Country/Source	Work Level	Income threshold
U.S.A.		
U.S. Census Bureau	Total hours worked by family members greater than or equal to 1,750 hours	Family income below Federal Poverty Line (FPL) ⁴⁵
U.S. Bureau of Labour Statistics	Individuals have spent at least 27 weeks working or looking for work	Family income below FPL
The Urban Institute (and many other U.S. researchers)	Adults work, on average, at least half time (about 1,000 hours)	Family income less than 200% of FPL
Child Trends ⁴⁶	Either two parents together worked at least 35 hours per week or a single parent worked at least 20 hours per week ⁴⁷	Family income below FPL
Australia		
National Centre for Social and Economic Modelling (NATSEM)	More than 50% of total family income comes from wages or salaries	Family income below half of the average equivalent family disposable income of Australians.
South Korea		
Korean Institute for Health and Social Affairs (in The Chosun Ilbo)	At least one member of the family has a job	Family income below the poverty threshold
U.K.		
(Definition provided by the European Industrial Relations Observatory, EIRO)	Households with at least one income from full-time or part-time employment	Family income less than 50% or 60% of the median income
Germany		
(Definition provided by EIRO)	All full time-workers	Family income less than 50% of the national average
France		
Institut National de la Statistique et de l'Économie (Definition provided by EIRO)	Workers who have spent at least 6 months of the year on the labour market and have had a job for at least 1 month during a year	Family income less than 50% of the median income
Switzerland		
Swiss Federal Statistical Office	1) All 'active' individuals, regardless of the number of hours they work; or 2) All individuals working full-time (i.e. 36 hours or more weekly)	Family income below: the cost of a 'moderate' rent plus a basic health insurance premium plus the Confédération Suisse des Institutions d'Action Sociale's 'vital' minimum.

⁴⁵ The Census Bureau uses a set of money income thresholds that vary by family size and composition to define the Federal Poverty Lines (FPL). If a family's total income is less than that family's threshold then that family and every individual in it is considered poor. Money income (before taxes) includes all labour income, all government cash transfers, pensions, alimony, rent, interest, dividends and other money income.

⁴⁶ Child Trends is a U.S. non-profit, non-partisan research centre that studies children and families. It is based in Washington D.C.

⁴⁷ This work standard is similar to that established by the 1996 U.S. Welfare Reform Law.

Table 2 Criteria to define the working poor in Canada

Source	Work Level	Income threshold
National Council of Welfare (NCW) & Applied Research Branch (ARB/HRDC)	More than 50% of total family ⁴⁸ income comes from wages, salaries or self-employment	Family income below Statistics Canada's Post Income Tax Low-Income Cut-Offs
Canadian Council on Social Development (CCSD)	Adult members have, between them, at least 49 weeks of either full-time ⁴⁹ or part-time work	Family income below a low-income threshold
Canadian Policy Research Networks (CPRN)	Individual works full time and full year	The individual's income is less than \$20,000 per year

Table 3 Illustrative Case: Four members Economic Family

	Family A	Family B
Number of hours worked	1000	500
Salary rate per hour	<u>\$6.85</u>	<u>\$40</u>
Total earnings	\$6,850	\$20,000
Government transfers (NCBS – 3 children)	\$7,000	\$7,000
Total Income	\$13,850	\$27,000
Percentage of total income from earnings	49%	74%

Table 4 Statistics Canada's Low Income Cut Offs for year 2001

Size of family unit	Community size				
	Rural	Urban areas			
		Less than 30 000	30 000 to 99 999	100 000 to 99 999	500 000 or more
1 person	10,201	11,791	12,904	13,107	15,559
2 people	12,448	14,388	15,745	15,992	18,986
3 people	15,744	18,198	19,915	20,227	24,013
4 people	19,609	22,665	24,804	25,192	29,908
5 people	21,917	25,332	27,722	28,157	33,428
6 people	24,225	27,999	30,640	31,122	36,948
7 people or more	26,533	30,666	33,558	34,087	40,468

⁴⁸ Households of two or more persons where the head of the household is non-elderly (under age 65)

⁴⁹ Full-time work means at least 30 hours per week

Table 5: Numbers of individuals 18-64 who were not full-time student, who were workers, poor and Working Poor (WP), 1996-2001

Year	Nb. of persons	Nb. of working	Nb. of poor	Nb. of WP	WP Rate	WP among the Poor	WP among Workers
1996	15,360,541	10,426,488	1,829,635	578,486	3.8%	31.6%	5.5%
1997	15,707,017	10,699,884	1,799,928	575,346	3.7%	32.0%	5.4%
1998	15,765,704	10,892,067	1,600,380	499,068	3.2%	31.2%	4.6%
1999	15,994,064	10,968,015	1,672,230	493,268	3.1%	29.5%	4.5%
2000	15,467,290	10,904,472	1,491,330	468,410	3.0%	31.4%	4.3%
2001	15,867,617	11,587,428	1,388,907	459,672	2.9%	33.1%	4.0%

Table 5a: Numbers of unattached individuals 18-64 who were not full-time student, who were workers, poor and Working Poor (WP), 1996-2001

Year	Nb. of persons	Nb. of working	Nb. of poor	Nb. of WP	WP Rate	WP among the Poor	WP among Workers
1996	2,167,574	1,514,763	668,559	222,169	10.2%	33.2%	14.7%
1997	2,247,461	1,542,692	690,710	225,644	10.0%	32.7%	14.6%
1998	2,296,459	1,585,560	667,392	197,024	8.6%	29.5%	12.4%
1999	2,316,792	1,624,670	666,801	219,243	9.5%	32.9%	13.5%
2000	2,216,319	1,613,812	594,585	185,254	8.4%	31.2%	11.5%
2001	2,275,066	1,696,164	563,957	183,853	8.1%	32.6%	10.8%

Table 5b: Numbers of heads of family aged 18-64 who were not full-time student, who were workers, poor and Working Poor (WP), 1996-2001

Year	Nb. of persons	Nb. of working	Nb. of poor	Nb. of WP	WP Rate	WP among the Poor	WP among Workers
1996	6,931,199	5,693,713	721,301	291,590	4.2%	40.4%	5.1%
1997	7,054,783	5,836,984	691,625	279,754	4.0%	40.4%	4.8%
1998	7,062,964	5,888,957	579,987	244,563	3.5%	42.2%	4.2%
1999	7,186,182	5,919,808	626,460	232,898	3.2%	37.2%	3.9%
2000	6,944,289	5,859,875	535,543	232,234	3.3%	43.4%	4.0%
2001	7,118,158	6,111,754	515,309	229,532	3.2%	44.5%	3.8%

Table 5d: Rates of change in the number of working poor individuals, unattached working poor and heads of working poor families, 1996-2001.

Year	Nb WP individuals	% annual change	Nb WP unattached	% annual change	Nb heads of WP families	% annual change
1996	578,486	-	222,169	-	291,590	-
1997	575,346	-0.5%	225,644	1.6%	279,754	-4.1%
1998	499,068	-13.3%	197,024	-12.7%	244,563	-12.6%
1999	493,268	-1.2%	219,243	11.3%	232,898	-4.8%
2000	468,410	-5.0%	185,254	-15.5%	232,234	-0.3%
2001	459,672	-1.9%	183,853	-0.8%	229,532	-1.2%
Average annual rate of change		-4.5%		-3.7%		-4.7%

Table 6: Number of working poor unattached, heads of working poor family, dependants and children in working poor family and total number of individuals living in a family headed by a working poor, 1996-2001

Year	Unattached	Heads of WP families	Dependants (0+) in WP families	Child 0-17 in WP families	Total of individuals living in a family headed by a working poor
1996	222,169	291,590	782,161	439,700	1,295,920
1997	225,644	279,754	734,708	389,945	1,240,106
1998	197,024	244,563	619,177	334,582	1,060,764
1999	219,243	232,898	595,603	332,525	1,047,744
2000	185,254	232,234	585,728	330,915	1,003,216
2001	183,853	229,532	550,351	307,365	963,736

Table 7: Unattached Workers Distribution by Labour Market Characteristics and Poverty Status in 2001

	Working Poor		Working Non-Poor	
	#	%	#	%
Hours of paid work	<i>Average: 1,946 hours</i> <i>Median: 1,825 hours</i>		<i>Average: 2,074 hours</i> <i>Median: 2,086 hours</i>	
910-1469	57,424	31.2	123,378	8.2
1470-2499	95,807	52.1	1,197,315	79.2
2500+	30,622	16.7	191,618	12.7
Weeks of work				
<49	51,264	27.9	148,773	9.8
49-53	132,589	72.1	1,363,538	90.2
Full-time/Part-time status				
Full-time	155,454	89.5	1,400,263	96.1
Part-time	18,255	10.5	56,845	3.9
Full time/full year				
Yes (1470 hours or more)	94,694	55.9	1,188,878	82.3
No	74,816	44.1	255,851	17.7
Hourly wage	<i>Average: 11.81\$/hour</i> <i>Median: 9.61\$/hour</i>		<i>Average: 19.20\$/hour</i> <i>Median: 17.46\$/hour</i>	
Not declared	44,754	24.3	89,037	5.9
Type of employee				
Self-employed during the year	52,979	28.8	135,836	9.0
Never self-employed	130,874	71.2	1,376,475	91.0
Number of jobs during the year				
1	127,367	69.3	1,122,231	81.5
2+	56,486	30.7	284,167	18.8
Cumulated jobs				
Yes, in at least a month	29,190	15.9	153,654	10.2
No	154,662	84.1	1,358,658	89.8
Type of occupation				
Business and finances	27,325	15.3	397,635	27.3
Arts, sciences and health	19,787	11.1 *	360,964	24.6
Sales and services	70,604	39.5	277,517	18.9
Other	47,011	26.3	384,821	26.3
Size of the enterprise				
<20	111,201	62.4	480,146	32.6
20-99	41,751	23.4	411,014	27.9
100-499	20,796	11.7 *	336,053	22.3
500+	X	X	244,533	16.6
Proportion of total income that comes from transfers	22.8%		3.2%	

Notes (apply to all tables presented in this paper)

-Bootstrap weights were used to calculate the standard errors (as per methodology developed by Piérard, Emmanuelle & al., Oct. 17 2003)

-*Means that the coefficient of variation (CV) is between 16.6% and 25%

**Means that the CV is between 25% and 33.3%.

-The CV is a measure of sampling error. Statistics Canada suggests not to publish estimations that have a CV > 33.3%. Estimation with 16.6% to 33.3% CV can be released with a warning about the high variability of the estimation.

-**Bold** font indicates that the percentages are not statistically different between the working poor and the working non-poor groups at a 95% confidence level.

Table 8: Distribution of heads of economic family who are working by Labour Market Characteristics and Poverty Status, 2001

	Working Poor		Working Non-Poor	
	#	%	#	%
Hours of paid work	<i>Average: 2,220 hours</i> <i>Median: 2,086 hours</i>		<i>Average: 2,218 hours</i> <i>Median: 2,086 hours</i>	
910-1469	46,252	20.2	325,586	5.4
1470-2499	112,963	49.2	4,372,653	94.6
2500+	70,317	30.6	1,183,983	20.1
Weeks of work				
<49	36,144	15.8	315,278	5.4
49-53	193,388	84.3	5,566,944	94.6
Full-time/Part-time status				
Full-time	193,486	88.1	5,524,307	96.7
Part-time	26,207	11.9	186,617	3.3
Full time/full year				
Yes (1470 hours or more)	151,842	70.6	5,026,962	88.9
No	63,108	29.4	629,194	11.1
Hourly wage	<i>Average: 11.66\$/hour</i> <i>Median: 10.16\$/hour</i>		<i>Average: 20.05\$/hour</i> <i>Median: 18.16\$/hour</i>	
Not declared	97,479	42.5	794,036	13.5
Cumulated jobs				
Yes, in at least a month	29,286	12.8	555,375	9.4
No	200,246	87.2	5,326,847	90.6
Number of jobs				
1	178,893	77.9	4,988,965	84.8
2	39,286	17.1	732,911	12.5
3+	X	X	160,347	2.7
Type of employee				
Self-employed during the year	109,570	47.7	967,428	16.5
Never self-employed	119,962	52.3	4,914,794	83.5
Type of occupation				
Business and finances	50,774	22.4	1,622,415	28.1
Arts, sciences and health	16,192	7.2 *	1,090,886	18.9
Sales and services	79,837	35.2	1,032,894	17.9
Other	77,286	34.1	1,886,088	32.7
Size of industry				
<20 employees	154,128	69.6	2,203,361	38.1
20-99	38,953	17.6	1,623,115	28.1
100-499	20,596	9.3	1,166,887	20.2
500+	X	X	791,714	13.7
Proportion of total income that comes from transfers	28.0% *		4.2%	

Table 9: Poverty depth* among working poor and non-working poor for unattached and heads of families from 1996-2001

Year	Unattached		Heads of families	
	Working poor	Non-working poor	Working poor	Non-working poor
1996	0.3073	0.4315	0.2747	0.3019
1997	0.3214	0.4450	0.2524	0.3164
1998	0.3368	0.4338	0.2748	0.3215
1999	0.3294	0.4511	0.2644	0.3291
2000	0.3351	0.4536	0.2737	0.3193
2001	0.3384	0.4323	0.3033	0.3175

The poverty depth (or the severity of poverty) indicates how far away individuals or families are from the poverty line. For instance, in 2001 the depth of poverty was 33.8 percent for working poor unattached individuals compared to 43.2 percent for poor unattached individuals that were not working. This means that on average working poor unattached individuals would have needed a smaller increase in their income to reach the poverty threshold compared to the non-working poor. The poverty depth is calculated as follows: Poverty Depth = 1- (Family Income after tax and transfers/post income tax LICO).

Table 10: Unattached Workers Distribution by Personal Characteristics and poverty status in 2001

	Working Poor		Working Non-Poor	
	#	%	#	%
Sex				
Female	79,569	43.3	575,007	38.0
Male	104,284	56.7	937,305	62.0
Age				
18-24	44,993	24.5	122,108	8.1
25-54	116,154	63.2	1,235,633	81.7
55-64	22,706	12.4	154,571	10.2
Marital status				
In an union	X	X	X	X
Div./Sep./Widow	49,457	26.9	485,765	32.1
Single	126,997	69.1	981,579	64.9
Provinces				
Newfoundland	2,771	1.5 **	9,266	0.6
PEI	X	X	5,329	0.4
Nova-Scotia	6,261	3.4 *	32,010	2.1
New-Brunswick	4,509	2.5 *	26,699	1.8
Québec	54,080	29.4	403,269	26.7
Ontario	54,504	29.7	569,399	37.7
Manitoba	7,758	4.2 *	53,549	3.5
Saskatchewan	4,885	2.7 **	43,688	2.9
Alberta	20,774	11.3	146,520	9.7
BC	27,088	14.7 *	222,583	14.7
Immigrant or Aboriginal status				
Yes	X	X	73,524	5.4
No	175,641	95.5	1,438,787	94.6
Work-limited				
Yes	31,264	17.0 *	104,251	6.9
No	152,589	83.0	1,408,060	93.1
Education				
<HS	34,018	22.0	145,239	10.7
HS Diploma	45,906	29.7	341,722	25.1
> HS, no University	47,433	30.7	529,030	38.9
University Degree	27,312	17.7	345,904	25.4
Part-time student				
Yes	X	X	1,407,726	93.1
No	176,630	96.1	104,586	6.9
Full-time work experience				
	13.1 years		16.7 years	

Table 11: Distribution of heads of economic family who are working by Personal characteristics and poverty status in 2001

	Working Poor		Working Non-Poor	
	#	%	#	%
Sex				
Female	94,798	41.3	1,911,611	32.5
Male	134,734	58.7	3,970,611	67.5
Age				
18-24	14,769	6.4	270,596	4.6
25-54	192,247	83.8	4,903,947	83.4
55-64	22,516	9.8 *	707,678	12.0
Province				
Newfoundland	2,785	1.2 *	104,558	1.8
PEI	X	X	29,329	0.5
Nova-Scotia	5,575	2.4 *	185,584	3.2
New-Brunswick	2,887	1.3 **	148,415	2.5
Québec	52,518	22.9	1,346,084	22.9
Ontario	79,452	34.6	2,326,358	39.6
Manitoba	10,040	4.4	209,210	3.6
Saskatchewan	6,245	2.7 *	182,558	3.1
Alberta	27,646	12.0	623,012	10.6
BC	41,851	18.2	727,114	12.4
Marital status				
In an union	156787	68.3	4,623,899	78.6
Div./Sep./Widow	44,085	19.2	508,243	8.6
Single	28,660	12.5	750,081	12.8
Immigrant or Aboriginal status				
Yes	33,970	17.0	319,645	5.9
No	195,562	83.0	5,562,577	94.1
Work-limited				
Yes	26,387	11.5 *	351,476	6.0
No	203,145	88.5	5,530,746	94.02
Education				
<HS	44,074	21.8	761,529	14.2
HR Diploma	57,512	28.4	1,367,164	25.5
> HS, no University	78,487	38.8	2,071,481	38.6
University Degree	22,401	11.1 **	1,165,251	21.7
Part-time student				
Yes	X	X	283,637	4.8
No	222,249	96.8	5,598,585	95.2
Full-time work experience		16.0 years	19.2 years	

Table 12: Distribution of heads of economic family who are working by family characteristics and poverty status, 2001

	Working Poor		Working Non-Poor	
	#	%	#	%
Type of family				
Couple with no children	46,497	20.3	2,247,772	38.2
Couple with children	106,323	46.3	2,602,943	44.3
Lone parent family	43,065	18.8	343,625	5.8
Other family type	32,544	14.2 *	665,135	11.3
Number of family with X earner				
One earner	128,465	58.8	1,068,715	18.2
Two earners or more	101,067	41.2	4,800,050	81.8
Number of family with X children				
No children	52,670	23.0	2,194,507	37.3
One child	64,582	28.1	1,408,336	23.9
Two children	68,302	29.8	1,615,960	27.5
Three children or more	43,978	19.2	663,418	11.3