

Persons living in low-income neighbourhoods



National Household Survey (NHS), 2011



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- | | |
|----------------|--|
| . | not available for any reference period |
| .. | not available for a specific reference period |
| ... | not applicable |
| 0 | true zero or a value rounded to zero |
| 0 ^s | value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded |
| ^p | preliminary |
| r | revised |
| x | suppressed to meet the confidentiality requirements of the <i>Statistics Act</i> |
| E | use with caution |
| F | too unreliable to be published |
| * | significantly different from reference category (p < 0.05) |

Persons living in low-income neighbourhoods

Box 1: National Household Survey

This is the third release of data from the National Household Survey (NHS). Roughly 4.5 million households across Canada were selected for the NHS, representing about one-third of all households.

This *NHS in Brief* article, together with the article [Education and occupation of high-income Canadians](#), Catalogue no. 99-014-X2011003, complements the analytical document [Income Composition in Canada](#), Catalogue no. 99-014-X2011001.

Further information on the National Household Survey can be found in the [National Household Survey User Guide](#), Catalogue no. 99-001-X. Specific information on the quality and comparability of NHS data on income can be found in the [Income Reference Guide, National Household Survey](#), Catalogue no. 99-014-X2011006.

Box 2: Comparability of low-income estimates

Low-income estimates from the 2011 National Household Survey (NHS) compared to previous censuses show markedly different trends than those derived from other surveys and administrative data such as the Survey of Labour and Income Dynamics (SLID) or the T1 Family File (T1FF).

Data to support quality estimates of low-income trends require a stable methodology over time that has similar response patterns. With the new methodology of the NHS, estimates of low income are not comparable to the census-based estimates produced in the past.

Previous census income releases compared low-income rates over time using the low-income cut-off (LICO). Given the lack of comparability of the trends and to prevent misleading conclusions arising from comparisons of LICO estimates from the NHS with earlier censuses, estimates of low income based on LICO are not available as a standard product from the NHS. They are available upon request.

Analysis of the NHS estimates suggests that it is valid to compare low-income estimates for different subpopulations within the NHS (that is, for different geographic areas or demographic groups). While many low-income measures, including the LICO, are well suited to the analysis of trends in low income, the after-tax Low Income Measure (LIM-AT) is better suited to the analysis of low income in the NHS because the threshold level of income below which one is considered to have low income is itself derived from the households that responded to the survey. This *NHS in Brief*, therefore, uses the LIM-AT in the analysis of low-income neighbourhoods.

According to new data from the 2011 National Household Survey (NHS), 4.8 million Canadians (14.9%) lived in households with income below the after-tax Low Income Measure (LIM-AT) in 2010. (Individuals are defined as having low income if the after-tax income of their household falls below 50% of the median adjusted household after-tax income in Canada in 2010. For more information on the calculation of LIM, see [Box 3: Concepts and definitions](#).)

This *NHS in Brief* examines the extent to which the low-income population is concentrated within neighbourhoods, how these neighbourhoods are distributed geographically, and how they differ from other neighbourhoods in terms of socioeconomic characteristics such as age and immigrant status.

Persons living in low-income neighbourhoods

The NHS collected data for over 5,000 neighbourhoods¹ across Canada. On average, a neighbourhood contained 4,500 persons.² Persons living in these neighbourhoods accounted for close to three-quarters of all Canadians.³ All figures in this NHS in Brief, with the exception of the overall low-income rate in Canada, are based on the population of Canadians living in neighbourhoods.⁴

A low-income neighbourhood is defined as one in which 30% or more persons had low incomes. In the NHS, 9% of all neighbourhoods (478) were of this type, based on the income people received in 2010. Very low-income neighbourhoods are a subset of the low-income neighbourhoods and are defined as those in which 40% or more persons had low incomes. Of the 478 low-income neighbourhoods, 137 were classified as very low-income neighbourhoods (3% of all neighbourhoods).

Nearly one in five low-income Canadians lived in low-income neighbourhoods

In 2010, the average low-income rate in non-low-income neighbourhoods was 12.8% compared to 37.1% in low-income neighbourhoods and 46.3% in very low-income neighbourhoods.

In terms of concentration, 18.9% of the low-income population living in neighbourhoods lived in the 478 low-income neighbourhoods while 7.5% of Canadians living in neighbourhoods did so. Correspondingly, 6.5% of low-income Canadians living in neighbourhoods lived in the 137 very low-income neighbourhoods while 2.1% of Canadians did so.

Several smaller cities had high concentrations of low income

While most of the low-income neighbourhoods are located in large census metropolitan areas (CMAs), many neighbourhoods with high concentrations of low-income persons are in smaller metropolitan areas. Sherbrooke had the highest proportion of its low-income population living in low-income neighbourhoods (44.5%) [Figure 1.a]. Among Sherbrooke's 36,000 low-income residents, 16,000 lived in one of the CMA's 13 low-income neighbourhoods. Other CMAs or census agglomerations (CAs) with relatively high proportions of low-income persons living in low-income neighbourhoods were Windsor (40.6%), Trois-Rivières (39.2%), Montréal (33.6%), Saint-Jean-sur-Richelieu (33.0%), Saint John (30.6%) and Winnipeg (30.4%).

Windsor posted the highest proportion of the low-income population living in very low-income neighbourhoods (33.3%) [Figure 1.b]. Of the 54,500 low-income people in Windsor, 18,200 of them resided in the 10 very low-income neighbourhoods in that CMA. Sherbrooke was next, with 21.1% of the low-income population living in very low-income neighbourhoods, followed by Chilliwack (19.5%), Greater Sudbury (18.6%), Trois-Rivières (16.7%), Winnipeg (16.5%) and Granby (15.9%).

1. The term 'neighbourhoods' is used to refer to census tracts (CTs). In total, 196 CTs out of 5,452 CTs were excluded from the analysis: 79 were suppressed due to confidentiality; 109 were excluded for data quality reasons (the weighted global non-response rate [GNR] was greater than 50%); and 8 were excluded where low income was not applicable conceptually (the low-income concept is not applied to people living on Indian reserves). The average GNR was 28.9% for all CTs, 28.4% for the 5,256 usable CTs, and 46.8% for the suppressed CTs. The average GNR does not vary significantly between non-low-income neighbourhoods (28.2%), low-income neighbourhoods (30.4%) and very low-income neighbourhoods (31.1%).

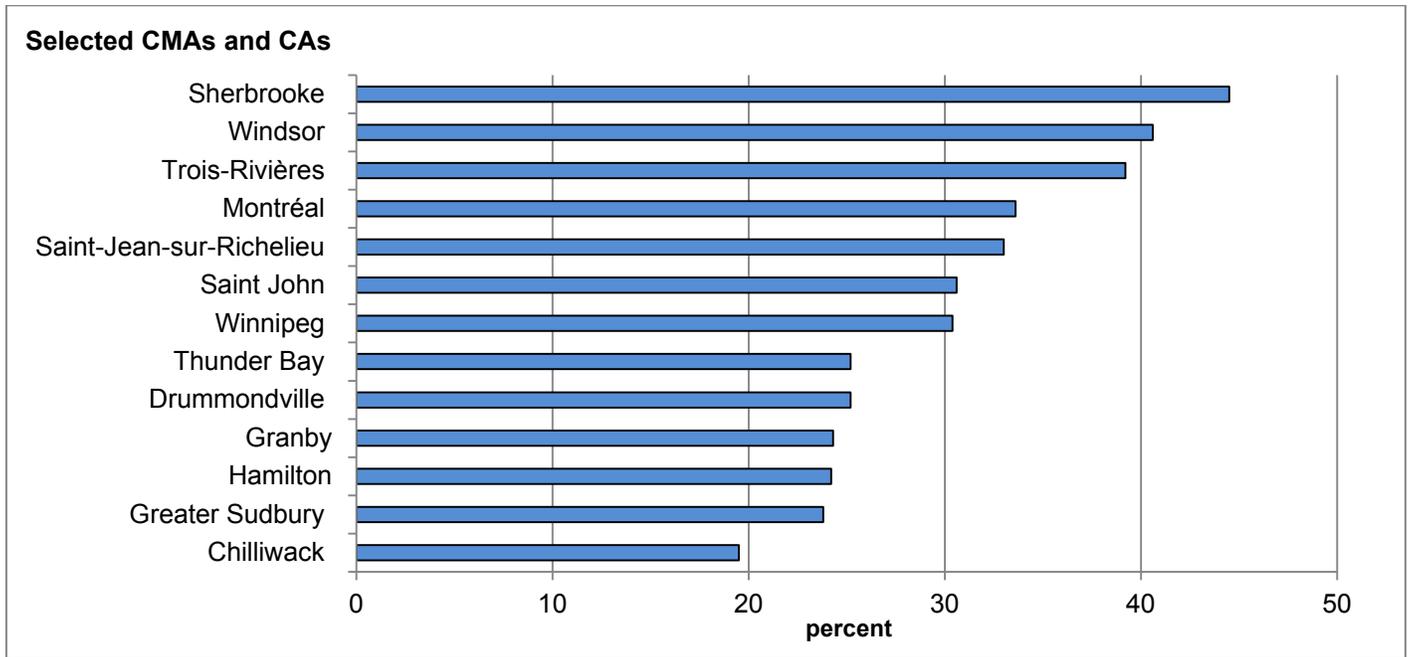
2. Only 1.6% of the examined CTs had a population of less than 1,000 and 90% of neighbourhoods had a population between 1,700 and 7,500.

3. Persons living in the 5,256 neighbourhoods accounted for 72.2% of all Canadians and 72.2% of low-income Canadians.

4. The low-income rate for the population not in neighbourhoods was 15.5%, very similar to the 14.9% for all Canada.

Persons living in low-income neighbourhoods

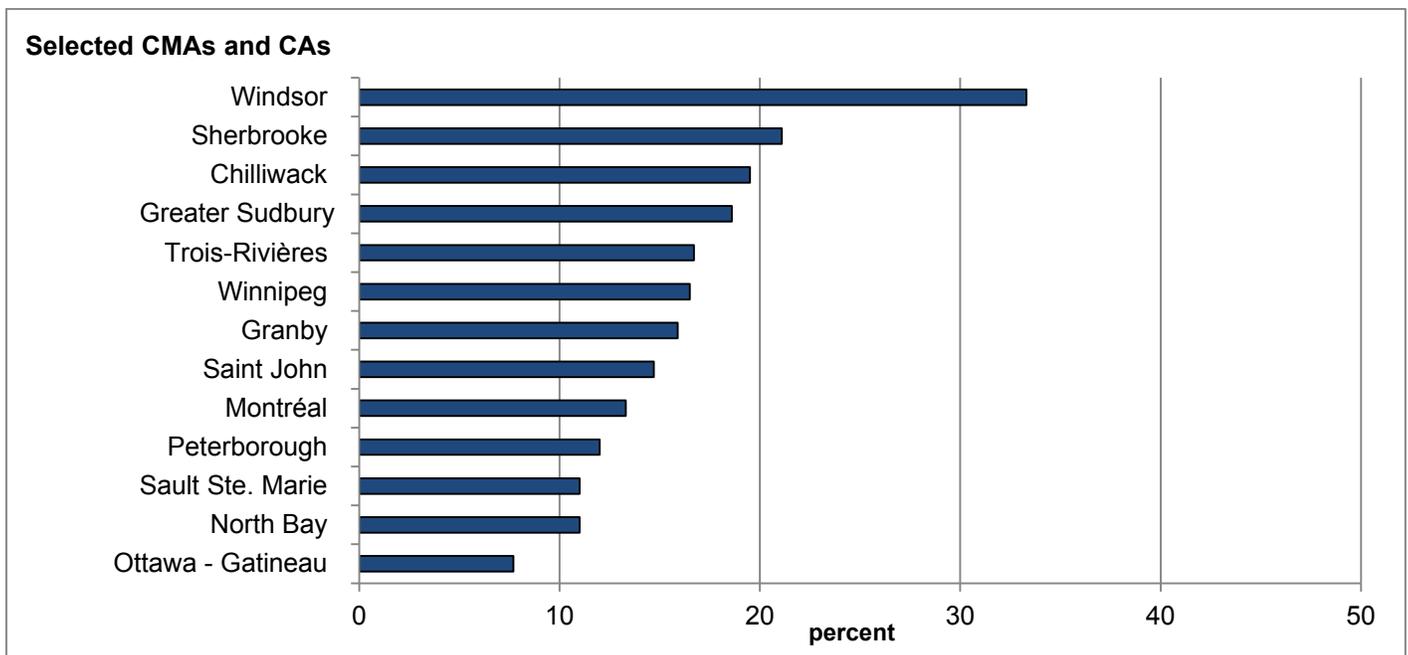
Figure 1.a Proportion of low-income population living in low-income neighbourhoods (low-income concentration ratio), by selected census metropolitan areas (CMAs) and census agglomerations (CAs)



Note: These 13 CMAs and CAs were selected based on highest low-income concentration ratios.

Source: Statistics Canada, National Household Survey, 2011.

Figure 1.b Proportion of low-income population living in very low-income neighbourhoods (low-income concentration ratio), by selected census metropolitan areas (CMAs) and census agglomerations (CAs)



Note: These 13 CMAs and CAs were selected based on highest low-income concentration ratios.

Source: Statistics Canada, National Household Survey, 2011.

Persons living in low-income neighbourhoods

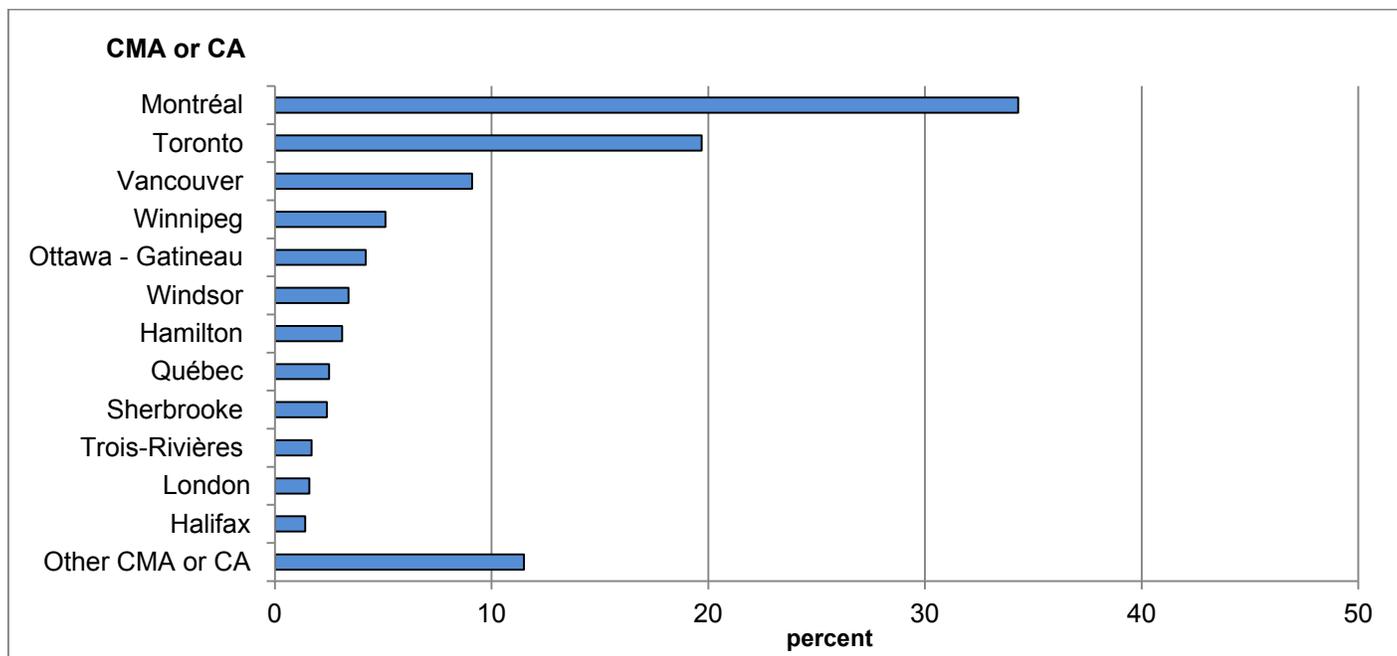
Most persons living in low-income neighbourhoods lived in large cities

Just under half (48.5%) of all Canadians living in neighbourhoods lived in the three largest census metropolitan areas (CMAs) of Toronto, Montréal and Vancouver, versus over half (54.3%) of the low-income population living in neighbourhoods. In terms of low-income neighbourhoods, these three CMAs had close to three-fifths (58.6%) of all low-income neighbourhoods in Canada.

But there were variations across these CMAs. Montréal had the greatest number of low-income neighbourhoods. Of all 478 low-income neighbourhoods in Canada, 35.8% or 171 were in Montréal. Toronto and Vancouver accounted respectively for 15.7% and 7.1% of these neighbourhoods.

The three largest CMAs accounted for 63.1% of the low-income population living in low-income neighbourhoods. Of the total 656,000 low-income persons living in low-income neighbourhoods, Montréal had the highest share (34.3%), with Toronto having 19.7% and Vancouver, 9.1% (Figure 2.a). Winnipeg, Ottawa - Gatineau and Windsor followed. A similar picture emerged for the very low-income neighbourhoods, even though the ranking changed slightly (Figure 2.b).

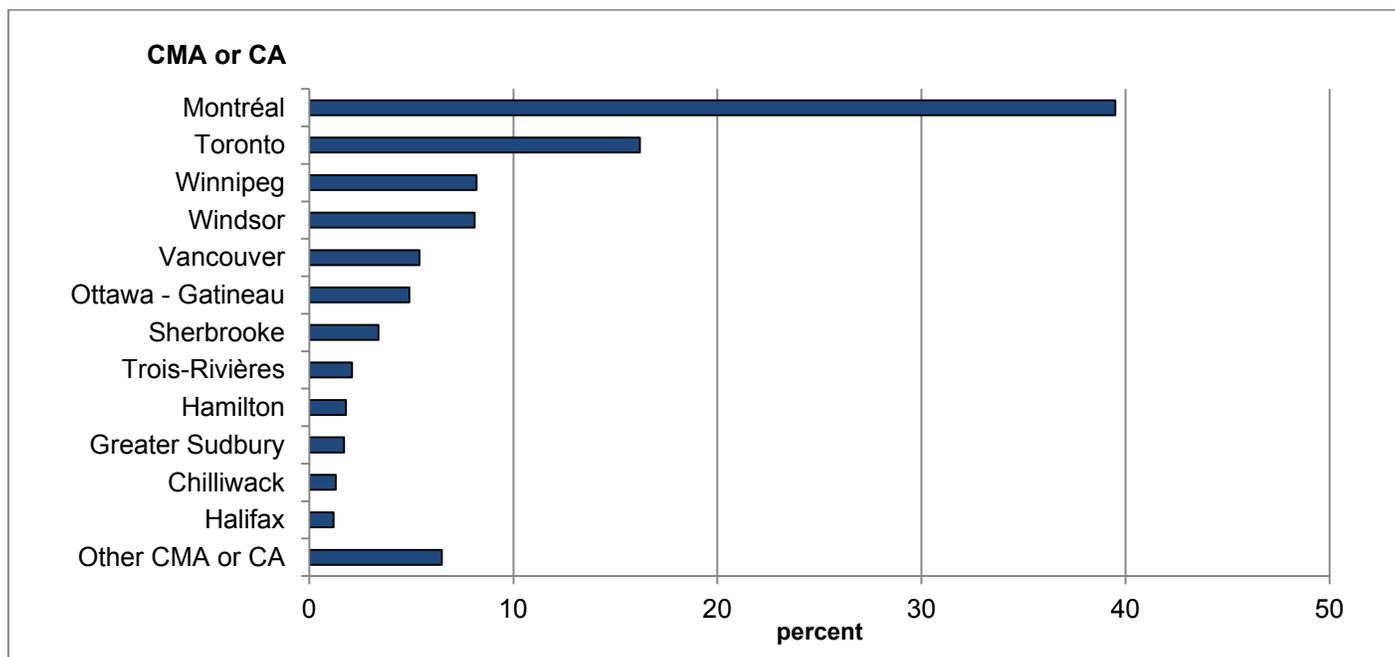
Figure 2.a Distribution of low-income population living in low-income neighbourhoods, by census metropolitan area (CMA) or census agglomeration (CA)



Source: Statistics Canada, National Household Survey, 2011.

Persons living in low-income neighbourhoods

Figure 2.b Distribution of low-income population living in very low-income neighbourhoods, by census metropolitan area (CMA) or census agglomeration (CA)



Source: Statistics Canada, National Household Survey, 2011.

Unattached individuals, visible minorities,⁵ immigrants⁶ and persons living in lone-parent⁷ families were more prevalent in low-income neighbourhoods

Low-income and very low-income neighbourhoods had a significantly higher proportion of persons not in economic families than did other neighbourhoods. While 14.2% of persons in other neighbourhoods were not in economic families, this proportion increased to about 29% in the low- and very low-income neighbourhoods ([Table 1](#)).

Visible minorities accounted for a higher proportion of the population inside low-income neighbourhoods than in other neighbourhoods. About 40.8% of the population living in low-income neighbourhoods belonged to a visible minority group, while in other neighbourhoods, the population share of visible minorities was 24.2%. In the very low-income neighbourhoods, almost half (47.5%) of the population belonged to visible minority groups.

5. Under the *Employment Equity Act*, visible minorities are defined as "persons, other than aboriginal persons, who are non-Caucasian in race or non-white in colour."

6. Immigrant refers to a person who is or has ever been a landed immigrant/permanent resident. This person has been granted the right to live in Canada permanently by immigration authorities. Some immigrants have resided in Canada for a number of years, while others have arrived recently. Some immigrants are Canadian citizens, while others are not. Most immigrants are born outside Canada, but a small number are born in Canada. In the 2011 National Household Survey, 'immigrants' includes immigrants who landed in Canada prior to May 10, 2011.

7. Lone parents are mothers or fathers, with no married spouse or common-law partner present, living in a dwelling with one or more children.

Persons living in low-income neighbourhoods

Table 1 Proportion of selected population subgroups by neighbourhood type

Selected groups	Less than 30% in low income	30% or more in low income	40% or more in low income
	percent		
Persons not in economic families	14.2	28.8	29.3
Persons in lone-parent families	10.6	15.9	17.4
Persons aged 65 years and over	13.0	12.5	11.3
Visible minorities	24.2	40.8	47.5
Immigrants	25.5	36.6	39.7
Immigrants arriving between 2001 and 2005	3.8	6.5	7.0
Immigrants arriving between 2006 and 2010	3.8	10.1	12.0
Work activity (persons aged 15 to 64 years)			
Did not work in 2010	20.6	32.9	39.1
Worked full-year full-time in 2010	44.0	32.0	26.7
Worked part-year/full-time, part-year/part-time, or full-year/part-time in 2010	35.4	35.1	34.2

Note: This table indicates the proportion of all persons within a neighbourhood type that have a given characteristic. The estimates in this table do not sum to 100 within a given type of neighbourhood because not all persons are included in one of the groups and persons may also be in two or more groups.

Source: Statistics Canada, National Household Survey, 2011.

Characteristics of persons in different types of neighbourhoods

Low-income neighbourhoods had a higher proportion of immigrants, particularly recent immigrants arriving between 2006 and 2010,⁸ than other neighbourhoods. Of residents in low-income neighbourhoods, 36.6% were immigrants, and nearly half of them (45.2%) had arrived in Canada between 2001 and 2010.

In comparison, the proportion of the total immigrant population living in neighbourhoods that were not low income was 25.5% in 2010. Less than one in three of them, or 29.7%, had immigrated to Canada between 2001 and 2010. In very low-income neighbourhoods, immigrants accounted for 39.7% of the population living in these neighbourhoods, with almost half of them (48.0%) having arrived in those 10 years.

The proportion of persons aged 65 years and over was fairly constant across neighbourhood types—in the 11% to 13% range.

Persons from lone-parent families represented 15.9% of the population in low-income neighbourhoods, and 17.4% in very low-income neighbourhoods. In contrast, they accounted for 10.6% of the population living in other neighbourhoods.

8. The calculation of low income is based on income earned in 2010. New immigrants who arrived in 2011, and as such had no Canadian income in 2010, made up just over 1% of total immigrants and have been included in the calculation. Similar results were found when they were excluded.

Persons living in low-income neighbourhoods

The proportion of persons who had worked was lower in low-income neighbourhoods, yet nearly two-thirds of working-age individuals living in low-income neighbourhoods had worked in 2010, with one-third having worked full-year full-time

In low-income neighbourhoods, 32.9% of people aged 15 to 64 years did not report working in 2010 in the NHS. This proportion went up to 39.1% in very low-income neighbourhoods, while in other neighbourhoods, about one in five persons (20.6%) did not work in 2010.

The proportion of people working full-year full-time⁹ was lower in low-income neighbourhoods than in other neighbourhoods. Looking only at the working-age population aged 15 to 64 years, 32.0% of persons living in low-income neighbourhoods worked full-year full-time versus 44.0% for those in the working-age population living in other neighbourhoods. By comparison, in very low-income neighbourhoods, 26.7% of the working-age population worked full-year full-time.

In all three types of neighbourhoods, slightly more than one in three people had either part-year or part-time work.¹⁰

Box 3: Concepts and definitions

Low income in this NHS in Brief is calculated using the after-tax Low Income Measure (LIM-AT). Individuals are defined as having low income if the after-tax income of their household falls below 50% of the median adjusted household after-tax income in 2010. Adjusted household after-tax income is calculated using the after-tax income of a household divided by the square root of the household size. The median adjusted after-tax income is the income that divides all individuals into two equal parts.

In 2010, the LIM-AT threshold for a single person was \$19,460. For any other household size, the threshold is equal to the single-person threshold multiplied by square root of the household size. For example, the LIM-AT threshold for a household with two members is \$27,521 and for four members is \$38,920.

Low-income concentration occurs when many low-income persons live in close proximity to each other. When the share of low-income population is high relative to the share of the general population in a neighbourhood, we say that geographic concentration of low income exists.

Neighbourhoods are commonly the geographic area used to measure low-income concentration in the literature. Though there is not a unique definition for it, in practice, the [census tract \(CT\)](#) concept is often used.

Census tract: a census tract is defined as a small, relatively stable geographic area that usually has a population between 2,500 and 8,000 persons. The census tract is established across the nation's 33 census metropolitan areas (CMAs) and 15 of the census agglomerations (CAs). In total, 24 million Canadians lived in the 5,452 CTs. Of these CTs, 5,256 were employed in this NHS in Brief and the population contained in them is referred to as the tracted population. Data from the other 196 CTs were suppressed for confidentiality or data quality reasons or were conceptually not applicable.

The terms census tract and neighbourhood are interchangeable in this NHS in Brief.

Neighbourhood population refers to the population of Canadians that live in a census tract, either in a CMA or a tracted CA.

9. Full-year, full-time workers refer to persons who worked 49 to 52 weeks, mostly 30 hours or more per week in 2010 for pay or in self-employment.

10. Part-time work refers to working 1 to 29 hours per week and part-year work, to working less than 49 weeks.

Persons living in low-income neighbourhoods

Low-income neighbourhood is defined as a census tract where 30% or more of its residents have low income. Similarly, a census tract is considered as a very low-income neighbourhood if 40% or more of its residents live in low income. A census tract that has less than 30% of its residents living in low income is defined as other neighbourhoods.

The income data collected in the 2011 NHS represent the income of the previous year (2010), while data for characteristics usually represent those collected close to the reference date of May 10, 2011.

Additional information

Additional information on income can be found in the [NHS Data Tables](#), Catalogue nos. 99-014-X2011032 through 99-014-X2011044, the [NHS Profile](#), Catalogue no. 99-004-X, as well as in the [NHS Focus on Geography Series](#), Catalogue no. 99-010-X2011005.

One series of thematic maps on low-income neighbourhoods is available: [Percentage of the population below after-tax low-income measure in 2010 by 2011 census tract \(CT\)](#).

For details on the concepts, definitions, universes, variables and geographic terms used in the 2011 National Household Survey, please consult the [National Household Survey Dictionary](#), Catalogue no. 99-000-X. For detailed explanations on concepts and for information on data quality, please refer to the reference guides on the [2011 National Household Survey \(NHS\)](#) website.

Note to readers

Random rounding and percentage distributions: To ensure the confidentiality of responses collected for the 2011 National Household Survey while maintaining the quality of the results, a random rounding process is used to alter the values reported in individual cells. As a result, when these data are summed or grouped, the total value may not match the sum of the individual values, since the total and subtotals are independently rounded. Similarly, percentage distributions, which are calculated on rounded data, may not necessarily add up to 100%.

Due to random rounding, estimates and percentages may vary slightly between different 2011 National Household Survey products, such as the analytical documents and various data tables.

Comparability between estimates from the 2006 Census long form and the 2011 National Household Survey estimates: When comparing estimates from the 2006 Census long form and estimates from the 2011 National Household Survey (NHS) users should take into account the fact that the two sources represent different populations. The target population for the 2006 Census long form includes usual residents in collective dwellings and persons living abroad whereas the target population for the NHS excludes them. Moreover, the NHS estimates are derived from a voluntary survey and are therefore subject to potentially higher non-response error than those derived from the 2006 Census long form.

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