### 4.1.1 Economic Inequities - Poverty

**Fig. 4.1.1 Trends in child poverty*, by family type, Canada, 1990–2010**

![Trends in child poverty graph](image)

- All persons under 18 years
- Persons under 18 years in female lone-parent families
- Persons under 18 years in two-parent families

* Poverty is represented by low income cut-offs (LICO). LICOs represent the income level at which a family may be in distressed circumstances because they spend a greater proportion of their income on necessities (i.e., food, shelter, and clothing) than the average family of similar size. In this case, LICOs have been calculated after a family has paid income tax (after-tax).


The number of children under 18 years living in poverty in Canada decreased to 550,000 (8.2%) in 2010 from 942,000 (14.0%) in 1990. For children under 18 years living in two-parent families, the number living in poverty decreased to 314,000 (5.7%) in 2010 from 475,000 (8.4%) in 1990. The most marked change was among children living in poverty in female lone-parent families. Their numbers decreased to 187,000 (21.8%) in 2010 from 407,000 (51.2%) in 1990.

**Implications**

Children and youth living in poverty are faced with many challenges to their health and well-being. Conditions of inadequate nutrition; crowded or unsafe living accommodations; less access to health care; and lower quality education are well-known challenges that low-income families face frequently.1

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4.1.2 Economic Inequities - Poverty

In 2010, 8% of all children in Canada and 22% of children living in female lone-parent families were living in poverty. Prince Edward Island and New Brunswick had the lowest rates of child poverty overall. In PEI, 2% of all children and youth lived in poverty, which was the case for 3% of New Brunswick’s children and youth. In New Brunswick, 10% of children and youth living with female lone parents lived in poverty. Manitoba and British Columbia had the highest rates of child poverty in Canada. In both Manitoba and British Columbia, 11% of all children and youth lived in poverty. In Manitoba, 36% of children and youth living with female lone parents lived in poverty.

**Fig. 4.1.2 Children under 18 years living in low income*, by family type, Canada and provinces, 2010**

<table>
<thead>
<tr>
<th>Province</th>
<th>All children</th>
<th>Female lone-parent families</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>PE</td>
<td>23*</td>
<td>27</td>
</tr>
<tr>
<td>NS</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>NB</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>QC</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>ON</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>MB</td>
<td>36</td>
<td>26</td>
</tr>
<tr>
<td>SK</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>AB</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>BC</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>

* PE female lone-parent data from 2009.

* Poverty is represented by low income cut-offs (LICO). LICOs represent the income level at which a family may be in distressed circumstances because they spend a greater proportion of their income on necessities (i.e., food, shelter, and clothing) than the average family of similar size. In this case, LICOs have been calculated after a family has paid income tax (after-tax).


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**Implications**

In every province except Newfoundland, the welfare income of a lone parent with one child is below the poverty line. With the rising cost of food and the nearly unaffordable cost of housing, many families continue to struggle to balance their budgets each month.

1 Welfare income for a lone parent with a child aged two includes basic social assistance, other provincial benefits, federal child benefits, provincial child benefits, provincial child benefits, GST credit.

### 4.2.3 Income

**Fig. 4.2.3 Median market income, couples with children by number of earners, Canada, 1990-2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>Two-parent families with children, one earner</th>
<th>Two-parent families with children, two earners</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>48,700</td>
<td>72,800</td>
</tr>
<tr>
<td>1995</td>
<td>45,300</td>
<td>72,700</td>
</tr>
<tr>
<td>2000</td>
<td>46,400</td>
<td>79,600</td>
</tr>
<tr>
<td>2005</td>
<td>45,900</td>
<td>81,300</td>
</tr>
<tr>
<td>2010</td>
<td>43,700</td>
<td>85,800</td>
</tr>
</tbody>
</table>

*Total income before tax minus income from government sources


Children living in two-parent families with two earners were better off in 2010 compared to 1990 with an average income increase of 15%. Single-earner families showed an 11% decrease in income from 1990 to 2010.

**Implications**

The median income of single-earner families with children decreased over the two decades. With little to no gains in income, accompanied by increases in spending and debt, many of today’s families are walking a “financial high wire”. Furthermore, living in a two-earner family reduces the likelihood of poverty. During the recession, two-earner couples with children had one of the lowest poverty rates among all family types (3.4%).

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4.2.4 Income

In 2010, the median after-tax income of couple families with children with one household earner was $49,700 per year. If there were two earners in the family that income jumped to $79,400 per year. Children in two-parent families in Ontario, Saskatchewan, and Alberta had the highest family income with two earners, but Ontario has a bigger gap between one-earner and two-earner family incomes. Children in two-parent families in Prince Edward Island have a family income of $62,800 per year, 21% lower than the national average. Across the provinces, one-earner families in Quebec had the lowest after-tax income ($46,500) and Alberta had the highest with one-earner families making $74,200 per year, almost $30,000 per year more than Quebec.
4.2.5 Income

Not only are there significantly more female lone-parent families than male lone-parent families in Canada, female headed households are also more likely to have lower incomes. Of the estimated 634,000 children under 17 years living in low-income families in 2009, 31% lived in a lone-parent family headed by a woman.¹

The income of all lone-parent families increased between 1990 and 2010. During that time, female lone-parent family incomes increased by 38%, to $38,700 in 2010 from $24,000 in 1990, whereas male lone-parents family incomes increased by 18%, to $49,500 in 2010 from $40,600 in 1990. Although female lone-parent family incomes increased significantly, their average after-tax income was almost $11,000 less than their male counterparts in 2010.

In 2010, the median after-tax income for lone parents in Canada was $39,900. Lone-parents in Nova Scotia ($42,200), Ontario ($40,600), Alberta ($44,800), and British Columbia ($40,400) had after-tax incomes above the national average. Prince Edward Island ($29,400) and Manitoba ($36,300) had the lowest lone-parent family incomes. The median after-tax family income for Prince Edward Island was 36% below the national average.
4.2.7 Income

The gap between the rich and poor in Canada is widening. In 1990, the income of the richest 20% of Canadian families was 5 times the income of the poorest 20%. In 2010, the richest 20% earned 5.6 times that of the poorest. The bottom 60% of households had income increases of less than $8,000 from 1980 to 2010. The richest 20% had increases of almost $40,000 from 1980 to 2010.

### Implications

The living conditions that children and youth living in low-income families experience predisposes them to material and social deprivation. The greater the deprivation, the less likely families are able to afford the basic prerequisites of health such as food, clothing, and housing.
4.2.8 Income

In 2010, the average after-tax income of all families with two or more children was $76,600. The richest 20% earned $125,800 more than the poorest 20% (about 5.6 times greater).

Implications

Income is perhaps the most important social determinant of health for Canadian families. Level of income shapes overall living conditions, affects psychological functioning and well-being, and influences health-related behaviours. Level of income also determines the quality of other social determinants of health, including food security, housing, and access to social and cultural resources.  

4.3.9 Work

The unemployment rate is the percent of people who are unemployed of all people 15 and over who are in the labour force (working and seeking employment). During the recession in the early 1990s, unemployment in Canada rose to 11.4% for the total labour force. The economic boom in the late 1990s brought unemployment down to 7.6%. After a small increase, 2007 saw the lowest unemployment rate since 1991 at 6.0%. However, a further economic downturn in 2009 caused another peak in unemployment. As of 2011, the unemployment rate has declined to below 8%. In all years, unemployment among males was higher than for females.


Implications

Employment determines the capacity to which parents can use available resources to invest in their children. In the most general sense, families successful within the labour market invest more in their children.

4.3.10 Work

In 2011, the youth unemployment rate in Canada (14.2%) was higher than it was 30 years ago – 12.8% in 1981. And, the youth unemployment rate is significantly higher than the national average (14.2% vs. 7.4%). The outlook for employment for youth and young adults has shown some improvement in the last decade, but rates for young males are still high at nearly 16%.

**Implications**

NEET – not in employment, education, or training – is a fairly new phenomena and a growing concern to policymakers. According to Statistics Canada, in 2011, nearly a million young people age 15 to 29 years were considered NEET. Among this group, 391,000 were actively looking for work, while the other 513,000 were not. Being unable to find work and being out of school over a long period of time takes a major toll on the health and well-being of young people. It can create a sense of uselessness and idleness that can lead to increased mental health problems, substance use, and violence.

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Youth unemployment varies widely across the country. In 2011, the highest rate was in Newfoundland and Labrador at nearly 21% and the lowest rate was in Saskatchewan at around 10%.
The Health of Canada’s Children and Youth: A CICH Profile
Contextual Module

Section 4 - Economic Security

4.3.12 Work

The employment rate has increased among women during recent decades, while it has declined slightly for men. Between 1990 and 2010, the employment rate for women rose to 57.9% from 53.8%, a 4.1 percentage point increase. The employment rate for men declined by 4.5 percentage points to 65.4% in 2010 from 69.9% in 1990.


**Implications**

Children and youth require the material sustenance money can buy, but also the non-material care they share with their parents and other caregivers. On one hand, parental employment provides children with resources. On the other, the choice or need to work means that parents need to find alternative arrangements to care for their children. Depending on family structure, families will face challenges to meet the basic needs of their children.¹

In 2011, 81.0% of Canadians aged 25 to 44 were working compared to 55.4% of youth aged 15 to 24 and 71.0% of individuals aged 45 to 64. Among seniors, 11.3% had jobs in 2011.
4.3.14 Work

The employment rate of women with children increased between 1990 and 2010, especially among women with children under six years of age. In 2010, the employment rate for women with children under six was 66.9%, up from 55.8% in 1990, and 78.6% for women with children from 6 to 15 years old, up from 70.1% in 1990.

Implications

In general, employment rates for women have steadily increased over the last 35 years, and more women with children are finding employment outside the home. Although the proportion of women working with pre-school children has grown, they are still less likely to be employed than women with school-aged children.¹

4.3.15 Work

In 2011, just over half (55.4%) of youth were employed—52.6% were employed full time and 47.4% were employed part time. In 2011, Alberta (62.7%), Saskatchewan (60.8%), Manitoba (60.8%), and Quebec (57.7%) had youth employment rates above the national average. Newfoundland and Labrador had the lowest proportion of youth and young adults holding a job. With an employment rate of 46.3%, Newfoundland and Labrador was 9.1 percentage points below the national average.

Implications

For younger workers in Canada, economic recovery after the recession has been almost non-existent, and youth 15 to 24 years of age entering the workforce are faced with some significant challenges. “In addition to competition within their own age group, they now must compete with older workers looking to re-enter the labour market and those more experienced who lost their job during the recession.”

Increased competition leads young graduates to take jobs outside of their degrees or pulls them out of the labour market. Unable to find jobs in their area of study, university and college grads often retreat into another degree or into jobs that support them but don’t put their training to use.

Although the employment rate for youth 15 to 24 years of age has fluctuated over time, the rate in 2011 was just slightly less than that of the rate in 1976. However, the composition of employment for this group changed significantly. In 1976, 78.9% of employed youth worked full time and the other 21.1% worked part time; in 2011, 52.6% of employed youth worked full time and the other 47.4% worked part time.

Implications

“Like adults, teenagers can feel somewhat burdened with their day-to-day unpaid and paid work responsibilities. Approximately 1 in 10 regularly felt very stressed with not having enough time in the day. Similar proportions were quite or extremely stressed because of school, while 16% considered themselves workaholics. Almost 4 in 10 reported being under constant pressure to accomplish more than they could handle, and 6 in 10 tended to cut back on sleep when they needed more time.”

4.4.17 Household Expenditures

In 2010, housing was the biggest expenditure in Canadian’s budgets, at 21.3%. Lone-parent families spend proportionately more on shelter than do couple families with children. They also spend proportionately more on food, education, and health care.

**Implications**

For low and modest income families, housing is an even larger expense proportionately. In Canada, 1 in 4 households pay more than 30% of their income on housing. In 2010, families in the lowest quintile spent 32.3% of their total income on housing, where families in the highest income quintile only spent 16.7% of their total income on housing.

Families sometimes face affordability problems and may be forced to choose between appropriate housing and other necessities. Roughly 750,000 children under 15 live in housing that is unaffordable, substandard, or overcrowded—or all three. Living in inadequate housing can have negative effects on children’s health, behaviour, and development.

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Raising children in Canada is an expensive proposition. The average cost of raising a child in Canada to age 18 in a typical two-child family is $243,660. This amounts to an average cost of $1,070 per month per child. This cost varies by the number of children in a family. The estimated per-child expenditure in lone-child families ($304,600) is 25% higher than in families with two children, while families with three or more children spend 22% less per child ($190,050).¹

Implications

Based on ratios developed for the U.S., it is estimated that the bottom third by income of couples with children spend about 28% less ($175,400) per child than the average household. The upper third by income of families with children spend almost 40% more ($404,500).¹ In terms of child outcomes, higher income is almost always associated with better outcomes for children.²

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### 4.4.19 Household Expenditures

By the end of 2011, the debt load in Canada stood at $103,000 per household. (This average includes households that have debt and those that do not.) While disposable income remained almost unchanged from 1990 to 2011, total household debt almost doubled.

#### Implications

Being in debt is a very distressing experience that affects the entire family. Owing money limits a family’s purchasing power, financial flexibility, and financial stability. For children and youth, the burden of debt means that fewer resources can be allocated to fill their monetary and non-monetary needs.
More than a third (38%) of people receiving assistance from food banks in Canada are children and youth under age 18. That means that 851,014 children and youth received assistance. That proportion was lowest in British Colombia (31.7%) and Nova Scotia (31.5%) and highest in Manitoba (50.4%).
4.5.21 Food Security

In 2007–08, almost 10% of households with children reported that they had been uncertain of having, or being able to acquire, enough food to meet the needs of their family because they had insufficient money for food at some time or times during the year. Lone-parent households were far more likely to worry about having enough food, with 22.9% of such families saying that was the case. Lone parents were almost 4 times as likely as two-parent families to face food insecurity.