



### **INCOME AND POVERTY IN NIPISSING DISTRICT, REPORT # 1:**

This is the first report in a series of income & poverty reports to the District of Nipissing Social Services Administration Board. Report # 1 describes income distribution in Nipissing District and Ontario based on the recent 2021 census income data. The analysis includes the distribution of income sources and the prevalence of low income as measured by national low-income lines, followed by relevant Social Assistance income comparisons.

**DISTRICT OF NIPISSING SOCIAL  
SERVICES ADMINISTRATION BOARD  
OCTOBER 20, 2022**

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# Executive Summary

This is the first report in a series which focus on income and poverty in Nipissing District. In view of the Board's vision for *healthy and sustainable communities* and working to remove systemic barriers such as disparities in income and poverty, the reports will serve to inform the Board's advocacy, policy development, planning, and service delivery across the program areas.

For the first report, the recent 2021 census conducted by Statistics Canada provides an opportunity to update the Board on income distribution and low-income lines in Nipissing District and its municipalities and areas. The following is a summary of the main report and the key findings from the research and data analysis.

Nearly two-thirds of the households in Nipissing District are comprised of *families* (with and without children), while close to another third is comprised of *single (non-family) households*. Other, *non-family households* account for the relatively small number of remaining households. The median household income for the above family households in the district is \$72,500 although this varies significantly depending on household composition and family type. For example, median income ranges between \$36,000 for single households to two-and-a-half times that amount for families (\$96,000).

After adjusting for inflation, the district has experienced real household income growth of 10.7%, or about \$7,000 since the previous 2016 census. This growth rate also varies across the different family household types, ranging from 8.3% (\$6,500) for families without children to 26.7% (\$12,400) for lone-parent families. The government's pandemic emergency and relief benefits during 2020 helped to offset lost employment income and is likely reflected in the income growth rates.

Household median income is fairly consistent across the district's municipalities, although there is some notable variation. Starting with the outliers, household income in East Ferris (\$109,000) is about 20.0% higher than the province (below) and over twice the household income in Mattawa (\$53,200). Chisholm and Bonfield also have relatively high household incomes in the upper \$70k range and about \$5,000 above the district median. Income then starts to drop off in the mid-upper \$60k range in West Nipissing, Nipissing First Nation, and Temagami, and, apart from Mattawa, is lowest in South Algonquin (\$61,200). The remaining municipalities and areas for which census income data is reported, have incomes that are consistent with the district median (+/- \$1k).

Compared to the province, Nipissing District's income is significantly lower. For example, Ontario's median income (\$91,000) is 25.5% higher, or \$18,500 more, than in Nipissing District. In dollar terms, the difference in income between the province and district across the various household types, ranges from \$9,000 more for Ontario families with children to \$18,000 more for other family households. In relative terms, Ontario household incomes are higher in the range of 7.0% for families with children to 21.1% for single households. When compared across Ontario's 49 census divisions / service management areas, Nipissing is in the lowest quartile of household income distribution (along with most other districts in Northern Ontario) and has the fifth lowest household income in the province.

Turning to the individual income sources of family household members, *market income* accounts for the majority (77.0%) of income in Nipissing District and a little over four-fifths of the Nipissing population had some amount of market income. This includes income from employment, investment, private retirement, and other money market sources. The remaining (23.0%) of total income in the district comes from *government transfers*, which are cash benefits received from federal, provincial, territorial or municipal governments. The majority (89%) of Nipissing's population received some amount of government income in 2020, which is a steep increase from 73.6% in the previous census. This increase has also been observed at the national and provincial level and is largely attributed to the government's COVID-19 pandemic emergency and recovery benefits, which were widespread across the population. Of particular relevance and interest to the Board concerning government transfers, the median social assistance income (OW & ODSP) captured by the census is \$11,400, which is less than one-third the median income for single households (Table 2) in the district's general population. Additionally, 8.0% of Nipissing's population receives social assistance, which is close to twice that of the province (4.4%).

As with household income, there is variation in the share of market and government transfer income across the district's municipalities and areas. East Ferris and Mattawa remain on the high and low-end of the distribution, respectively. Whereas market income accounts for the majority (84.6%) of total income in East Ferris, it represents just two-thirds of income in Mattawa. The other one-third of income in Mattawa comes from government transfers (vs. 15.3% in East Ferris). This helps to explain the large difference in household income between the two, described earlier. With East Ferris and Mattawa removed from the analysis, the share of market and government income ranges across the district from 78.4% and 21.4% respectively, in Papineau-Cameron to 68.4% and 31.8% in South Algonquin.

Compared to Ontario, a smaller share of income in Nipissing District derives from market sources and a larger share is from government transfers, which helps to explain the lower incomes in Nipissing District. For example, whereas a little over three-quarters (77.0%) of Nipissing's total income is market income, the provincial share of market income is 6.0% higher at 83.0%. Conversely, income from government transfers is 6.0% higher in Nipissing District, accounting for 23.0% of total income (versus 17.0% for the province). When compared across Ontario's 49 census divisions / service management areas, the district's composition of market income (77%) and government transfers (23%) places it towards the low end of the market income distribution. Along with five other areas that have the same income composition, Nipissing District has one of the lowest shares of market income and highest shares of government transfers in the province.

Turning to low income measures, the income study intended to use Canada's official poverty line - the Market Basket Measure (MBM) - to establish the extent of poverty in Nipissing District. However, Statistics Canada has not yet published the 2021 census MBM data and these datasets are currently unavailable. In the meantime, the Low Income Measure-After Tax (LIM-AT) is used to gauge the extent of relative low income of the population living in private households in Nipissing District. (Note: subsequent reports in the series will analyze the MBM data when it becomes available).

Based on the Low Income Measure-After Tax, 13.0% of persons in private households in Nipissing District are living in low income. In absolute terms, this amounts to close to 11,000 people. The percentage of people living in low-income varies widely across the district's

municipalities and areas, ranging from 6.0% in East Ferris to three and a half times this amount (21.0%) in Mattawa.

Compared to the province (10.0%), the prevalence of low income in Nipissing District is 3.0% higher. This is in keeping with the earlier findings of Nipissing's relatively higher share of government transfers and lower income, in general. When looking at the LIM-AT measure across Ontario's 49 census divisions / service management areas, the areas with the highest prevalence of low income in the province include Nipissing and seven other districts in Northern Ontario.

The updated census income data and analysis above also provides further context and understanding around OW social assistance rates and income. For example, where inflation is concerned, although there has been real income growth for the general population since the 2016 census, there has been no growth for OW rates over most of this period let alone at the inflation rate or higher. Additionally, the annual income for a single Ontario Works recipient with no other income is about \$8,800, which is one-quarter the median income (\$36,000) for a single household in Nipissing District. The above OW income is also only one-third, or \$17,700 less than, the low-income threshold for a single household as measured by the LIM-AT (\$26,503). By any measure, this illustrates the depth of poverty facing many social assistance recipients in the district and province.

# 1.0 Preamble

## 1.1 Introduction

The District of Nipissing Social Services Administration Board (DNSSAB) plays a major role in providing various human services to residents throughout Nipissing District, including to those who are marginalized and have low incomes. With a vision for *healthy and sustainable communities*, the Board looks forward to seeing communities where residents have the social and economic conditions and opportunities they need to develop to their maximum potential. Working to remove systemic barriers such as disparities in income and poverty is fundamental to achieving the Board's vision and individual well-being for Nipissing residents.

## 1.2 Purpose

In view of the above, the recent 2021 census conducted by Statistics Canada provides an opportunity to update the Board on income distribution and the national low-income lines. The analysis will look at income and sources for Nipissing District and its municipalities and areas, and the extent to which low income exists as measured by the recent census Low Income Measure (LIM). Social assistance income is also analyzed alongside the census data to provide an additional perspective on the income of the Board's Ontario Works clients.

The updates on income and poverty will occur over a series of reports for the Board, starting in September 2022. The report series will serve to further inform the Board's advocacy, policy development, planning, and service delivery across the program areas.

## 1.3 Scope

The first report in the series will provide a descriptive analysis of the 2021 census and provincial social assistance income in Ontario. The income data will also be cross-referenced with age and family household type, and analyzed at various levels of geography including Ontario's Census Divisions and Service Manager areas, and Nipissing District and its municipalities and areas.

The remaining reports in the series will focus on poverty as measured by Canada's official poverty line, the Market Basket Measure (MBM) when the data becomes available.<sup>1</sup> The future reports will also provide further analysis of social assistance income relative to the cost of housing and food - generally accepted as two of life's basic necessities and a household's biggest expense. Other relevant topics related to the root causes of social assistance dependency and length of time on assistance will also be discussed.

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<sup>1</sup> In 2018 the Government of Canada implemented its first poverty reduction strategy, *Opportunity for All*, and adapted the Market Basket Measure as Canada's official poverty line (under the Poverty Reduction Act, 2019). At the time of this report, the census 2021 MBM data has not been published by Statistics Canada and is unavailable.

## 1.4 Methodology

The study is a basic observational, cross-sectional design and the data is analyzed and presented through descriptive statistics using common summary measures (median) and frequency distributions.

Unless otherwise stated, the income data in the reports is sourced from Canada's 2021 census and Ontario Works rate charts.

### 1.4.1 Limitations

The reports uses the Low Income Measure, After Tax as the sole proxy for determining low-income levels. While many could argue that income is the main predictor of poverty and other inequalities in life, this approach leaves out other factors and considerations when measuring the extent of low income family households and poverty.

The analysis in the report is based on data collected at a specific point in time and presents a cross-sectional view of income and the census Low Income Measure (LIM). Under this study method, the stated low income levels do not take into account the length of time spent living in low-income.

Statistics Canada has suppressed the income data for Bear Island, Nipissing South, and Mattawan for confidentiality purposes.

## 2.0 Income Notes and Definitions

### 2.1 Census Income

For the 2021 Census, the reference period for all income variables is the calendar year (2020) prior to the census, unless otherwise stated.

Similar to the previous census, administrative files were the sole source of income for the 2021 census and the income data has been derived for the entire population and all households.<sup>2</sup>

The census income data in this report refers to *total income*, which is the sum of income from various sources (see Appendix 1). Generally, these income sources can be rolled up into two broad categories: *market income* (employment, investment, private retirement, and other money from market sources) and *government transfers* (all cash benefits received from federal, provincial, territorial or municipal governments). The income components used to calculate total income vary depending on the unit of analysis (i.e. individuals, families, or households).

The pandemic and the government's COVID relief benefits and transfers has significantly influenced the 2020 incomes, patterns, and trends. These impacts will be reported as they arise in the report.

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<sup>2</sup> Prior to 2016, the census income data was collected through various methods including self-enumeration, and combinations of self-reporting and administrative data such as tax and benefit returns. Additionally, the income data was only collected from a sample of households.



## 2.2 Low Income Definitions

Like some other areas of inequality and deprivation (homelessness for example), measuring the extent of poverty in a given community can vary depending on the approach, methodology, data source, and information and data used in the measurement. By extension, the rate of poverty can vary widely depending on the chosen measure and application.<sup>3</sup> For the purpose of these reports, the low-income lines developed by Statistics Canada and Employment and Social Development Canada (ESDC) will be used and referenced in the analysis.

Statistics Canada currently uses three general low-income measures to describe the low-income status of the Canadian population. These measures are the *Low Income Cutoff (LICO)*; *Low Income Measure (LIM)* and the *Market Basket Measure (MBM)*. The LICO and LIM measures are further broken down by a *before-tax* and *after-tax* income component, providing five different low-income measures that can be used depending on the study objectives and analysis. It should be noted that in the past, Statistics Canada has repeatedly cautioned that these low-income lines ‘are not measures of poverty’, rather, they present a consistent and well-defined methodology to identify ‘those who are substantially worse off than average’. More recently, however, the national statistics agency recognizes the MBM as Canada’s official poverty line since being adopted by the federal government in 2019.

Each low-income measure has a unique perspective on low income and measures income in a different way. Additionally, they each have strengths and weaknesses and one is not necessarily better than the other. As the low-income lines can also have different units of measurement (e.g., families vs. households), they are generally not directly comparable, either. The choice of which measure to use is more dependent on factors such as the research or study objective, design, and data collection and availability. More recently, the MBM has gained popularity since being adopted by the federal government as Canada’s official poverty line, and by Ontario in the provincial Poverty Reduction Strategy. The three measures are summarized below (see also, Appendix 2 for table summary).

### 2.2.1 Low Income Cut-off (LICO)

The LICO is generally a *relative* measure, whereby a person or family is considered to be living in low income or poverty if they spend significantly more than others on life’s necessities. For example, the national LICO is an income threshold below which, a family, household, or individual is likely to spend 20% or more than the average, on the necessities of food, clothing, and shelter. The income thresholds are based on expenditure patterns taken from the Family Expenditure Survey (1992) and adjusted to current dollars. LICO is calculated for different family and community sizes, and is broken down into either before-tax (LICO-BT) or after-tax (LICO-AT) income.

### 2.2.2 Low Income Measure (LIM)

The LIM is also a relative measure, whereby a household is considered to be living in low income or poverty if its income is significantly lower than other households. Under the national

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<sup>3</sup> For example, based on 2021 census income data, 4.2% of individuals in Nipissing District are living below the Low-income cut-off, after-tax (LICO-AT) while 13.0% of individuals are living below the Low-income measure, after-tax (LIM-AT).

LIM, a household or persons living in the household, is deemed low income if the *adjusted* household income falls below half of the median *adjusted* income for private households. The ‘adjustment’ in the measure takes household size and economies of scale into account, recognizing that as the size of the household increases so do the household needs, but at a decreasing rate.<sup>4</sup> The LIM however, does not take into account community size or the difference in the cost of living across different areas, regions, etc. The LIM also has before- tax (LIM-BT) and after-tax (LIM-AT) income components.

### 2.2.3 Market Basket Measure (MBM)

The Market Basket Measure (MBM) is generally an *absolute* measure, whereby a family is considered to be living in low income or poverty if their family income falls below a minimum level required to meet basic needs. The national MBM establishes a low-income threshold that is based on the cost of a specific basket of goods and services that represent a modest, basic standard of living. The basket includes shelter, food, clothing, transportation and other necessities. The MBM base calculation is for a reference family consisting of two adults and two children, and an equivalence scale that accounts for family size (similar to the LIM) adjusts this. The MBM is calculated for 53 different regions in Canada, recognizing the possible differences in the cost of the basket between similar-sized communities in different provinces and between different regions within provinces. As Canada’s official measure of poverty, families with disposable income less than the MBM thresholds are deemed to be living in poverty.

## 2.3 Social Assistance Income

As DNSSAB administers one of the two social assistance programs included in government transfers noted above in Section 2.1 - Census Income, further detail on Ontario’s social assistance system has been incorporated into this Report. In Ontario, social assistance benefits include Ontario Works (OW) and the Ontario Disability Support Program (ODSP). Income assistance is calculated on a monthly basis by determining the budgetary requirements of the benefit unit. The amount of income assistance provided will depend on living arrangements, family composition and income of the benefit unit. The main income assistance includes an amount for basic needs and shelter (or board and lodging where applicable), and can include the Remote Communities Allowance, Advanced Age Allowance, Special Diet Allowance, Pregnancy/Breast-feeding Nutritional Allowance and Special Boarder Allowance.

Additionally, Ontario Works recipients may receive other supplementary benefits falling under the categories of mandatory, discretionary and employment related benefits where eligibility for these benefits has been met. Eligibility for supplementary benefits is based on the recipient’s individual circumstances and verified needs. These benefits can be used to pay for necessities such as health services, transportation, clothing, employment related benefits etc. OW recipients also receive varying degrees of coverage for prescription drugs and emergency dental care with the provincial Healthy Smiles program providing dental coverage for children and youth from low-income families under the age of 18.

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<sup>4</sup> The household income is adjusted by an equivalence scale which is the square root of the number of people in the household (household income is divided by the equivalence scale and then the adjusted income is assigned to each member of the household).

Furthermore, social assistance recipients with or without children may also have other sources of income that supplement their income assistance as described in Section 2.1, Census Income. Due to the complexity of the Ontario Works Act, some types of supplementary income is considered “chargeable” income meaning it is deducted from a person’s social assistance dollar for dollar while other sources of income are fully exempt or partially exempt depending upon the type of income being declared.

Due to the complexity of Ontario’s social assistance income structure described above, the various 2020 income sources and total income for individuals and families on social assistance in Nipissing District is unknown. Thus, the study does not make direct comparisons between 2020 social assistance and census income at various levels of detail, such as for different family household types (although the census data does include median social assistance income, see table 3). Rather, Ontario Works income is described on its own in the context of the census income for the general population, and comparisons are made based on Ontario Works general income rates.

## 3.0 Household Income 2020

### 3.1 Median Income for Family Households in Nipissing District

The table below shows the distribution of the various household types in Nipissing District captured in the 2021 census, and their respective median incomes. The income reflects ‘total’ income, which as mentioned earlier, comes from various sources (reference Appendix 1).<sup>5</sup> The table also shows the real change (adjusted for inflation) in income from the previous 2016 census:

Table 1. Family Household Type, Nipissing District 2021	Households (#)	Households (%)	Median Income 2020 (\$)	Change since 2015 (2020 constant dollars)
<b>All households</b>	<b>37,250</b>	<b>100.0</b>	<b>72,500</b>	<b>10.7 %</b> ↑
Single households	11,730	31.5	36,000	15.4% ↑
Other, non-family households	1,705	4.6	70,000	20.7% ↑
Family households	23,820	64.0	96,000	11.6% ↑
Families without children	10,845	29.1	129,000	10.3% ↑
Families with children	7,365	19.8	85,000	8.3% ↑
Lone-parent families	3,470	9.3	58,800	26.7% ↑
Other family households	2,135	5.7	126,000	23.5% ↑

<sup>5</sup> In the context of households and families, total income refers to receipts from certain sources of all household/ family members, before income taxes and deductions. The monetary receipts included are those that tend to be of a regular and recurring nature such as employment income, investment income, income from employer and personal pensions, and income from government sources.

- Nearly two-thirds of the households in Nipissing District are comprised of *families*, while close to another third is comprised of *single (non-family) households*. *Other, non-family households* account for the relatively small number of remaining households.<sup>6</sup>
- Within family households, those *without children* account for the largest share (45.5%) in the district followed by those *with children* (31.0%) and *lone-parent families* (14.5%). Other family households account for the remaining 9.0% of families in Nipissing District.<sup>7</sup>
- The median household income in Nipissing District is \$72,500 although this varies significantly depending on household composition and family type. For example, within the census household universe, median income ranges from \$36,000 for single households up to two-and-a-half times that amount for families (\$96,000).
- The income range widens further when looking at family households in more detail, where incomes tend to be higher. For example, families with children and other family households, extend the district's median household income into the \$100,000 + range.
- As noted by the table, the district has experienced real household income growth of 10.7% (\$7,000) since the previous 2016 census.
- The income growth rate has also varied across the various household types, from 8.3% (\$6,500) for families without children to 26.7% (\$12,400) for lone-parent families.
- As noted in a recent income report by Statistics Canada, government pandemic emergency and relief benefits helped to offset lost employment income during the pandemic, which is reflected in the above income growth rates (Statistics Canada, 2022).

### 3.2 Median Income for Family Households in Nipissing District and Ontario

The table on the following page compares the above household income data for Nipissing District, with Ontario as a benchmark:

- As noted in the table, Ontario's median household income is significantly higher across the board for all family household types.
- The overall household median income in Ontario is 25.5% higher, or \$18,500 more, than in Nipissing District.
- In dollar terms, the difference in income between the province and district across the various household types, ranges from \$9,000 more for Ontario families with children to \$18,000 more for other family households.

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<sup>6</sup> Other, non-family households are comprised of two or more persons living together but do not constitute a family under the Statistics Canada census family definition.

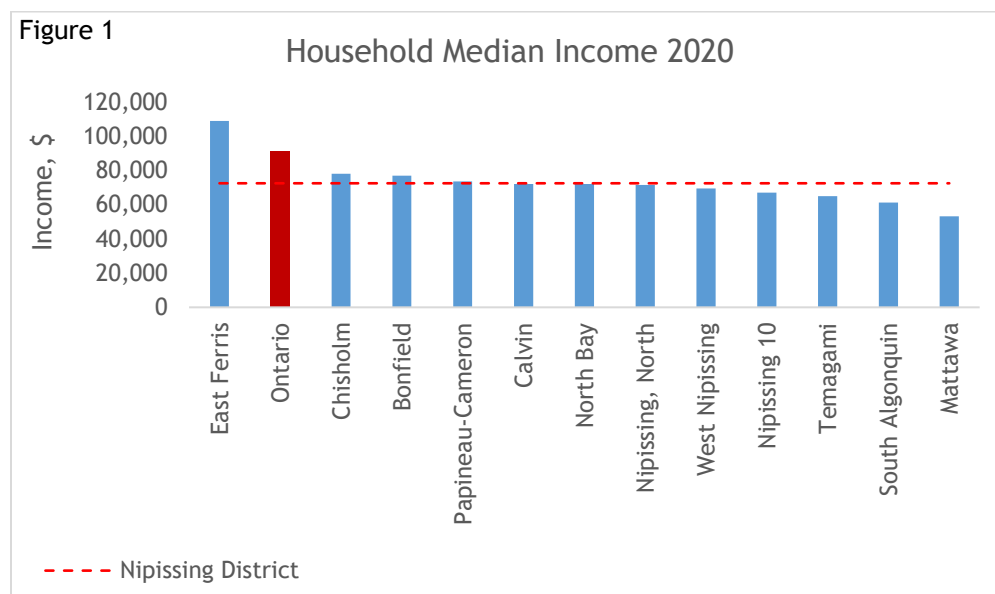
<sup>7</sup> Other family households are those where additional people are living with a family and/or multiple families are living together.

Table 2. Family Household Type, 2021	Nipissing District Median Income (2020)	Ontario Median Income (2020)	Difference (Ontario higher)	
			\$	%
<b>All households</b>	<b>72,500</b>	<b>91,000</b>	<b>18,500</b>	<b>25.5</b>
Single households	36,000	43,600	7,600	21.1
Other, non-family households	70,000	81,000	11,000	15.7
Family households	96,000	113,000	17,000	17.7
Families with children	129,000	138,000	9,000	7.0
Families without children	85,000	96,000	11,000	12.9
Lone-parent families	58,800	70,500	11,700	19.9
Other family households	126,000	144,000	18,000	14.3

- In relative terms, Ontario household incomes are higher in the range of 7.0% for families with children to 21.1% for single households.

### 3.3 Household Median Income, Nipissing District Municipalities and Areas

Figure 1 below shows the household median income for Nipissing’s municipalities and areas that have census income data reported.<sup>8</sup>

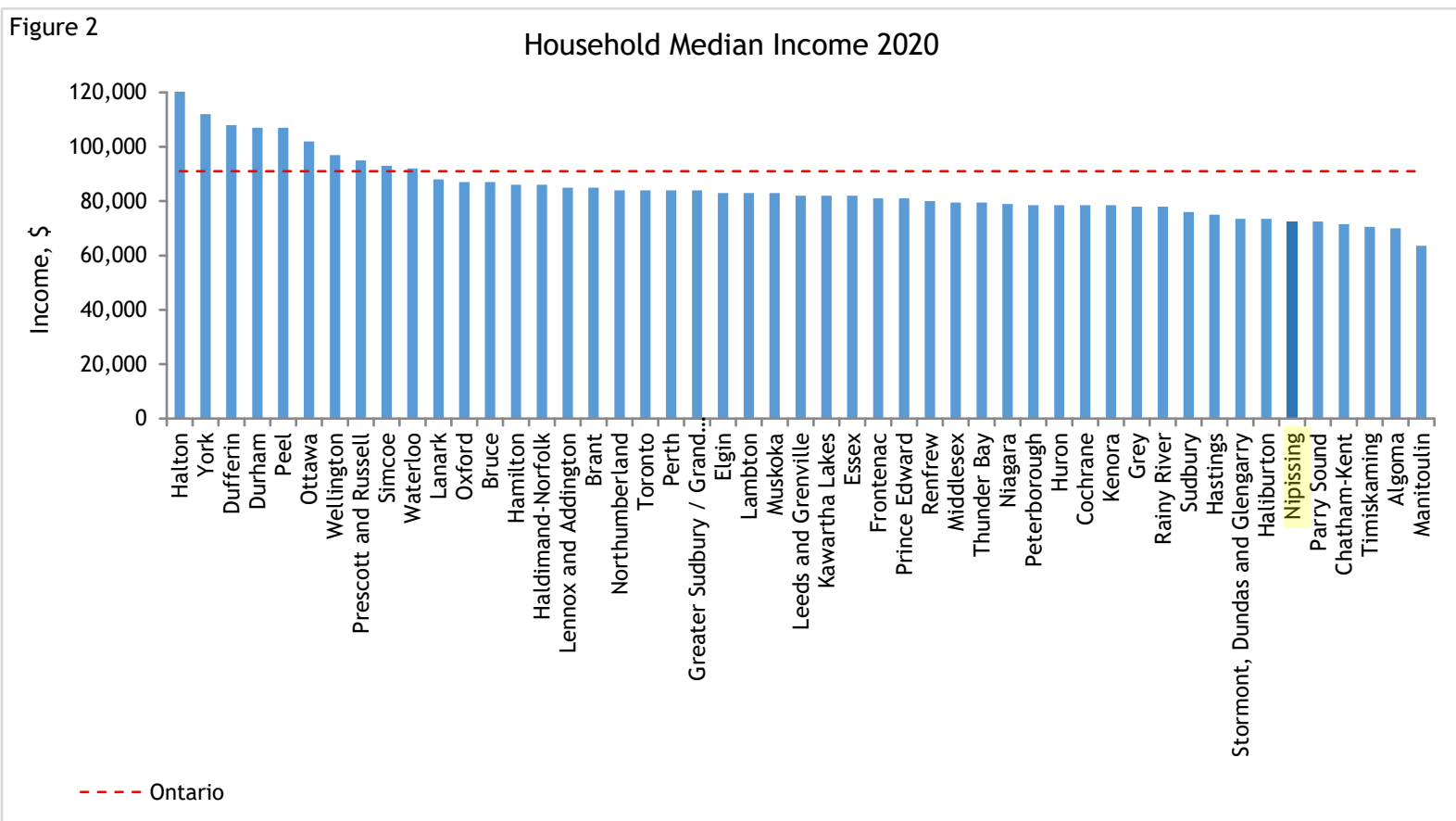


<sup>8</sup> Statistics Canada has suppressed the income data for Bear Island, Nipissing South, and Mattawan for confidentiality purposes.

- Other than the statistical outliers of East Ferris and Mattawa, household income is fairly consistent across the district, with some notable variation.
- Starting with the outliers, household median income in East Ferris (\$109,000) is about 20.0% higher than the province and over twice the household income in Mattawa (\$53,200).
- Chisholm and Bonfield also have relatively high household incomes in the upper \$70k range (about \$5,000 above the district median).
- Household median income across Papineau Cameron, Calvin, North Bay, and Nipissing North is relatively steady and within +/- \$1k of the district median.
- Income then starts to drop off in the mid-upper \$60k range in West Nipissing, Nipissing First Nation, and Temagami, and, apart from Mattawa, is lowest in South Algonquin (\$61,200).

### 3.4 Household Median Income Across Ontario's 49 Census Divisions

The figure below shows the distribution of total household income across Ontario's 49 census divisions / service manager areas. The data is shown in descending order, starting with the area that has the highest median income:



- Household median income ranges between the outliers of Halton Region on the high end (\$121,000) and Manitoulin District on the low end (\$63,600).
- Other regional municipalities including York, Durham, and Peel, along with Dufferin County and Ottawa, are also high outliers with household incomes above \$100,000.
- The areas on the chart between Wellington (\$97,000) and Bruce (\$87,000) complete the upper quartile of the income distribution (13 census divisions).
- The next 20 census divisions on the chart are in the inter-quartile range of the distribution with a narrower income range that is within \$7,000. These household incomes range from \$86,000 in Hamilton and Haldiman-Norfolk to \$79,000 in Niagara Region.
- Starting with Peterborough, the remaining (16) areas on the chart have household incomes below \$79,000 and fall in the lowest quartile of Ontario’s household income distribution. Most of the districts in Northern Ontario are in this group, including Nipissing and Parry Sound that have the fifth lowest household income in the province.

## 4.0 Individual Income 2020

In addition to household income (above), it is useful to look at *individual* income to provide further analysis on the income status of the population. Specifically, including individual income in the study facilitates analysis of the various income sources that make up an individual’s total income, and by extension, family household income. This offers additional insight in to income composition and inequality, and the importance of, and reliance on, various income sources. (Note: the household income described in the previous section is the combined income of all individuals/household members, from all income sources).

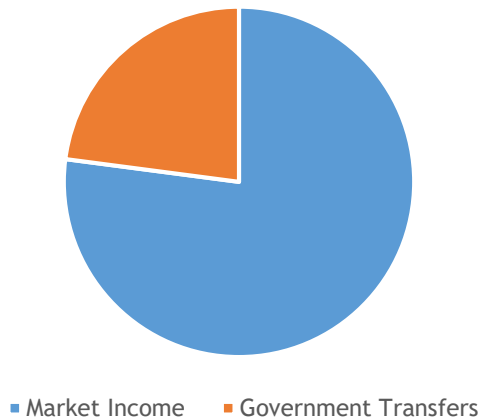
### 4.1 Census 2020 Income Sources

The following sections examine the composition of the 2020 census income based on the various income sources listed in Appendix 1. The data pertains to individuals aged 15 years and over who had income in 2020 from these various sources. Following Statistics Canada’s ‘components of income’ framework the income is grouped as *market income* or *government transfers* and then broken down by detail income sources for further analysis.

#### 4.1.1 Market Income and Government Transfers, Nipissing District

As shown in the figure below, market income accounts for the majority (77.0%) of income in Nipissing District and this includes income from employment, investment, private retirement, and other money market sources. The remaining (23.0%) income comes from *government transfers*, which are cash benefits received from federal, provincial, territorial or municipal governments:

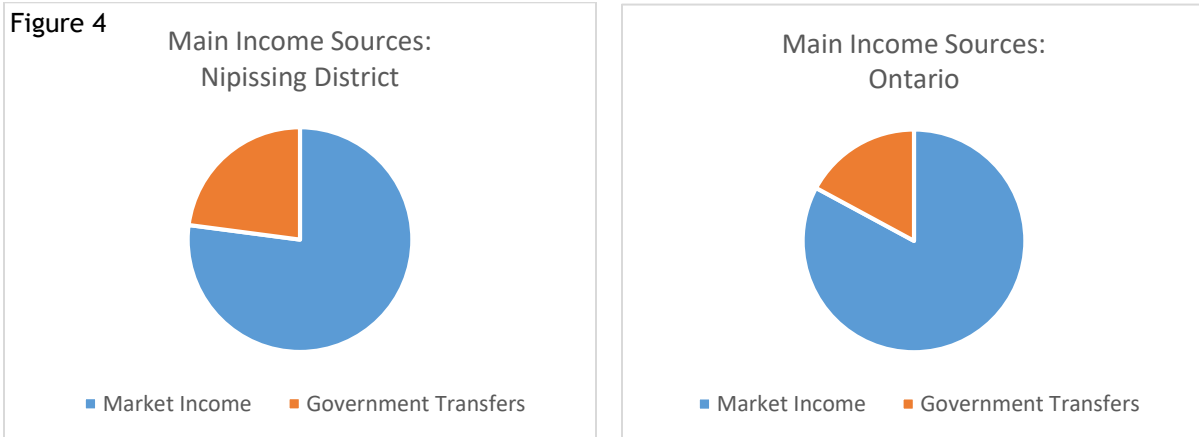
Figure 3 Main Income Sources: Nipissing District



- Although not shown in the chart, the median total income in Nipissing District for individuals 15 years of age and over is \$38,800, which approximates to the median total household income (\$37,250) described earlier.
- The median market income in Nipissing District is \$33,200 while the median government transfer is \$11,800 (see also, Table 3 below).
- In terms of variation, individual income in the district ranges from under \$10,000 in total income to over \$150,000 as measured by the census income scale.

#### 4.1.2 Market Income and Government Transfers, Nipissing District and Ontario

The figures below show the comparison in market and government income sources for Nipissing District and Ontario:



- As noted from the charts, a smaller share of income in Nipissing District derives from market sources and a larger share is from government transfers. This helps to explain the lower incomes in Nipissing District described earlier.

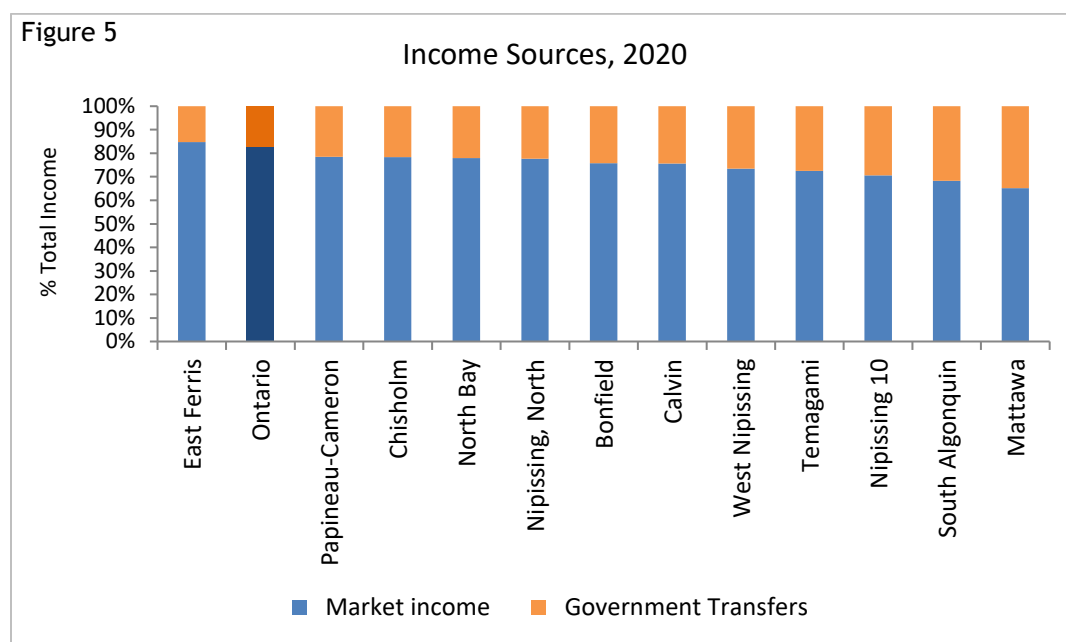


- Whereas a little over three-quarters (77.0%) of Nipissing’s total income is market income, the provincial share of market income is 6.0% higher at 83.0%.
- Conversely, income from government transfers is 6.0% higher in Nipissing District, accounting for 23.0% of total income (versus 17.0% for the province).

### 4.1.3 Market Income and Government Transfers, Nipissing Municipalities and Areas

The figure below shows the distribution of market and government transfer income across the municipalities and areas in Nipissing District. The data is shown in descending order, starting with the area that has the highest percentage of market income (and subsequently lowest percentage of government transfers).

- It can be noted that the order of the municipalities and areas in the chart closely follows that of household income (Figure 1), with higher income associated with market income sources and lower income, with government transfers.



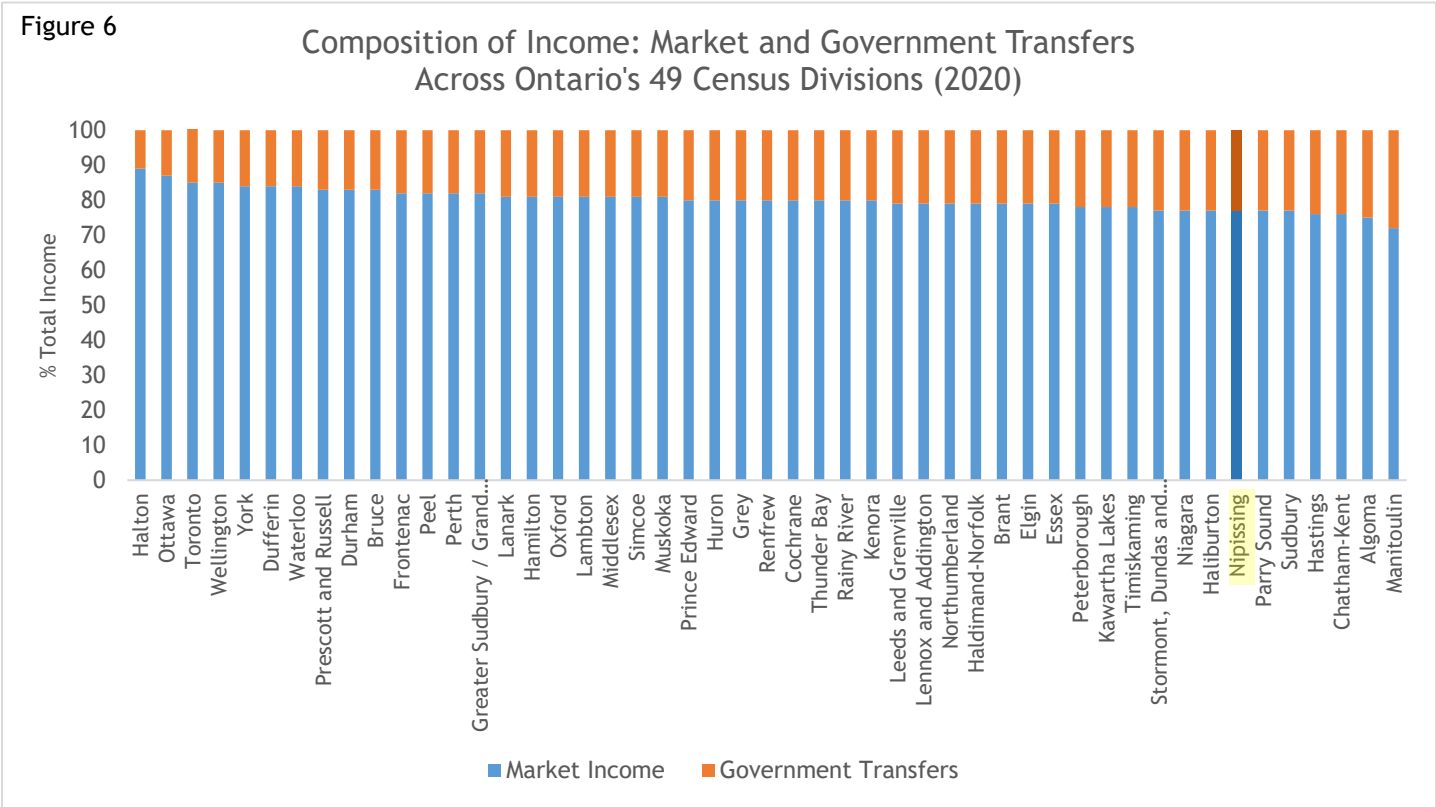
- East Ferris and Mattawa remain on the high and low-end of the distribution. Whereas market income accounts for the majority (84.6%) of total income in East Ferris, it represents just two-thirds of income in Mattawa. The other one-third of income in Mattawa comes from government transfers (vs. 15.3% in East Ferris).
- With East Ferris and Mattawa removed from the analysis, the share of market and government income ranges across the district from 78.4% and 21.4% respectively, in Papineau-Cameron to 68.4% and 31.8% in South Algonquin.
- The income composition in Papineau-Cameron, Chisholm, North Bay, Nipissing North, Bonfield and Calvin is within +/- 1.5% of the district average (77.0% market and 23% government transfer).

- The share of market income then starts to drop off below 74.0% in West Nipissing, Temagami, Nipissing First Nation, and South Algonquin while the share of government transfers in these areas increases to 26.5% or more.

#### 4.1.4 Market Income and Government Transfers Across Ontario's 49 Census Divisions

Figure 6 below shows the distribution of market and government transfer income across Ontario's 49 census divisions / service manager areas. The data is shown in descending order, starting with the area that has the highest percentage of market income (and subsequently lowest percentage of government transfers).

- Statistical analysis shows a strong, positive correlation between market income and total income, with total income generally becoming larger as the share of market income becomes larger (or conversely, a negative correlation with government transfers: total income generally becomes smaller as the share of government transfers becomes larger).



- The composition of market income and government transfers ranges across the province from 89% and 11% respectively in Halton Region to 72% and 28% in Manitoulin District. Thus, as the two polar opposites and based on the share of total income, the reliance on government transfers in Manitoulin is two and a half times greater than in Halton.
- Nipissing District's composition of market income (77%) and government transfers (23%) places it towards the low end of the market income distribution. Along with five other areas

that have the same income composition, the district has one of the lowest shares of market income and highest shares of government transfers in the province.

#### 4.2.1 Detail Income Sources, Nipissing District

The table below shows the market income and government transfer income sources in more detail for the population aged 15 years and over in Nipissing District. The median amount of income and share of total income is shown for the respective income sources, along with the percentage of the population that has received income from those sources. The data is grouped by the two high-level income categories and presented in descending order, starting with the income source that has the largest share of total income:

Table 3. Individual Income Sources, Nipissing District 2020	Median amount of income, \$	Share of Total Income, %	Population with an amount, %
<b>Market Income</b>	<b>33,200</b>	<b>77.0</b>	<b>82.4</b>
Employment income	34,000	59.7	64.5
Private retirement income	21,000	11.7	20.4
Investment income	608	3.4	23.6
Market income not included elsewhere	2,200	2.3	15.6
<b>Government Transfers</b>	<b>11,800</b>	<b>22.9</b>	<b>89.0</b>
CPP/ QPP	8,300	5.7	33.0
OAS & GIS	7,650	4.7	24.9
Child benefits	5,720	1.9	12.1
EI benefits	6,000	1.6	10.5
Other government transfers:	1,800	9.1	83.6
Social assistance	11,400	1.8	7.9
Workers' compensation	8,000	0.8	2.8
Canada Workers Benefit (CWB)	640	0.1	3.4
GST & HST Tax credit	700	0.7	44.0
*Transfers not included elsewhere	1,090	5.8	81.4

\*This includes the COVID-19 benefits administered in 2020.<sup>9</sup>

#### Market Income

Overall, market income is the main source of individual income in Nipissing District, providing a median income of \$33,200 and accounting for over three-quarters of total income.

Approximately four out of every five people in the district (aged 15 years and over) receive some amount of market income from the various sources below:

- *Employment income* is the main source of income in Nipissing District, providing a median income of \$33,200 and accounting for about 60.0% of total income. Close to two-thirds of the population (aged 15 years and over) has some amount of employment income. Most (57.2%) of the employment income is from wages, salaries, and commissions, with the remainder (2.5%) coming from net self-employment.

<sup>9</sup> The COVID-19 emergency and recovery benefits include CERB (Canada Emergency Response Benefit); CRB (Canada Recovery Benefit); CRCB (Canada Recovery Caregiving Benefit); CRSB (Canada Recovery Sickness Benefit); CESB (Canada Emergency Student Benefit); enhancements to existing federal programs for persons with disabilities; and other various provincial and territorial benefits.

- *Private retirement income* also contributes significantly to total individual income in the district, providing a median income of \$21,000 and accounting for 11.7% of total income. About one out of every five people in the district have private retirement income, which generally aligns with the district's share of senior citizens (23.0%).
- *Investment income* provides a relatively small amount (\$608) for at least half of those with this source of income, and just 3.4% of an individual's total income. However, nearly one-quarter of the population aged 15 years and over has some amount of investment income.
- Rounding off market income are *other market sources* that provide regular cash income and are not included in the above.<sup>10</sup> These sources provide a median income of \$2,200 but account for a small share (2.3%) of total income. A little under 16.0% of the Nipissing population aged 15 years and over, receive income from these other sources.

### *Government Transfers*

Overall, government transfers are the other main source of individual income, providing a median income of \$11,800 and accounting for the remaining 23.0% of total income. The majority (89.0%) of Nipissing's population aged 15 years and over received some amount of government income in 2020, which is a steep increase from 73.6% in the 2016 census. This increase is largely attributed to the COVID-19 pandemic emergency and recovery benefits (see 'Transfers not included elsewhere' below). The income from the various government sources is summarized below:

- The *Canada and Quebec Pension Plans* (which include retirement pensions, survivors' benefits, and disability benefits) provide a median income of \$8,300 and although they are the largest individual government transfer, account for just 5.7% of total income. With one-third of the Nipissing population receiving CPP/QPP income however, this is an important income source.
- Following closely behind the above are the Old Age Security (OAS) pension and Guaranteed Income Supplement (GIS), which are income-tested benefits for seniors with low incomes. Combined, the OAS & GIS provide a medium income of \$7,650 and account for 4.7% of total individual income in the district. This is also an important income source for seniors, with about one-quarter of the local population receiving this income.
- *Child benefits* include payments received by parents or guardians with dependent children, from various federal, provincial and territorial child benefit programs. In Nipissing District, these benefits provide a median income of \$5,720 and account for less than 2.0% of total income. The benefits are received by about 12.0% of the population (aged 15 years and over).

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<sup>10</sup> These other sources include severance pay and retirement allowances; alimony or child support; periodic support from others not in the household; income from abroad that is not investment income; scholarships, bursaries, fellowships and study grants; and artists' project grants.

- The *Employment Insurance* (EI) transfers include ‘regular’ and ‘other’ EI benefits.<sup>11</sup> The EI benefits provide a median income of \$6,000 and although they account for less than 2.0% of total income, a little over 10.0% of the Nipissing population relies on these income benefits.
- Other government sources account for the remaining 9.0% of government income transfers. Although these provide a median income of just \$1,800 and account for less than 10.0% of total income, the majority (83.6%) of the population receives some amount of income from these government sources which are briefly summarized below:
  - As mentioned previously, Ontario’s social assistance system is comprised of two programs which are Ontario Works and the Ontario Disability Support Program. Whereas many of the other government transfers are received in various combinations (e.g. OAS & GIS), social assistance income is the primary source of income for those on social assistance. The median social assistance income of \$11,400 is less than one-third the median income for single households (Table 2) in the district and is received by 8.0% of the population. The income represents a small percentage (1.8%) of total individual income.
  - *Workers’ compensation* provides a median income of \$8,000 for work-related injuries or disabilities. As a relatively small percentage (2.8%) of the population receives workers’ compensation, it accounts for less than 1.0% of total income.
  - The *Canada Workers’ Benefit* (CWB) and *GST/HST Tax Credit* transfers are tax-related benefits that provide income to individuals and families with low or modest incomes. The CWB provides tax relief to eligible individuals and families in the workforce while the GST/HST credits help to offset all, or part, of the GST or HST that is paid.<sup>12</sup> The median income from these sources is relatively low, providing less than \$1,000 and accounting for under 1.0% of total income. Whereas a large percentage (44.0%) of the population receives the GST/ HST tax credits just 3.4% receive the CWB.
  - *Transfers not included elsewhere* include all other government income sources not mentioned above.<sup>13</sup> Of particular note for the 2021 census and as noted under the above table and in footnote 9, these transfers include the COVID-19 emergency relief and recovery benefits in 2020, which has resulted in a large increase in this income

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<sup>11</sup> Regular EI benefits are those received under the federal Employment Insurance Program (and include enhancements in 2020 in response to COVID-19). Other EI benefits include those for sickness, maternity, paternity, adoption, compassionate care, work sharing, retraining and benefits to self-employed fishers received under the federal Employment Insurance Program or the Québec Parental Insurance Plan.

<sup>12</sup> This includes the one-time GST enhancement payment issued in 2020 to provide income support due to the COVID-19 pandemic. Under this GST COVID-19 enhancement payment, the maximum annual amount of GST credits was doubled for the 2019/2020 benefit year.

<sup>13</sup> As defined by Statistics Canada, these other sources primarily consist of refundable provincial tax credits, provincial income supplements for seniors, other provincial credits, benefits and rebates, government emergency response funds, veterans’ pensions, war veterans’ allowance, pensions to widow(er)s and dependants of veterans.

component and the share of government transfers since the previous 2016 census. These transfers provided a median income of \$1,090 (up fourfold from \$287 in 2016) and account for 5.8% of total income. A little over four-fifths of the Nipissing population aged 15 years and over received some amount from these government transfers, which is a little over twice the population receiving them in 2016 (37.0%). The large increase in this group of government transfers has also been observed at the national and provincial level and according to a Statistics Canada report, is largely attributed to the COVID-19 emergency and recovery benefits (Statistics Canada, Income in Canada, 2020).

#### 4.2.2 Detail Income Sources, Nipissing District and Ontario

The table below shows the previous Table 3 that has been expanded to include Ontario for comparison purposes. While some of the income sources between the two areas are similar or have small differences across the measures, others have larger differences that are significant - these are summarized with key points following the table:

Table 4. Individual Income Sources, Nipissing District and Ontario 2020	Median income, \$		Share of Total Income, %		Population with an amount, %	
	NIP	ON	NIP	ON	NIP	ON
<b>Market Income</b>	<b>33,200</b>	<b>36,000</b>	<b>77.0</b>	<b>82.8</b>	<b>82.4</b>	<b>85.0</b>
Employment income	34,000	38,000	59.7	67.4	64.5	69.2
Private retirement income	21,000	19,400	11.7	7.5	20.4	15.4
Investment income	608	860	3.4	5.5	23.6	29.3
Market income not included elsewhere	2,200	1,920	2.3	2.5	15.6	17.8
<b>Government Transfers</b>	<b>11,800</b>	<b>8,900</b>	<b>22.9</b>	<b>17.1</b>	<b>89.0</b>	<b>86.9</b>
CPP/ QPP	8,300	8,500	5.7	3.6	33.0	23.4
OAS & GIS	7,650	7,650	4.7	3.1	24.9	18.9
Child benefits	5,720	5,320	1.9	1.6	12.1	12.4
EI benefits	6,000	5,600	1.6	1.1	10.5	8.9
Other government transfers:	1,800	1,680	9.1	7.8	83.6	82.6
Social assistance	11,400	10,800	1.8	0.9	7.9	4.4
Workers' compensation	8,000	5,480	0.8	0.3	2.8	1.5
Canada Workers Benefit (CWB)	640	620	0.1	0.1	3.4	3.4
GST & HST Tax credit	700	670	0.7	0.5	44.0	40.8
*Transfers not included elsewhere	1,090	1,060	5.8	6.0	81.4	80.8

- As mentioned earlier, the main difference in comparing Nipissing District's income sources with the province is the smaller share of income in the district that comes from market sources and the larger share from government transfers. This is reflected in Nipissing's lower median market income (\$33,200 vs. \$36,000) and higher median government transfer (\$11,800 vs. \$8,900). Additionally, while fewer people in Nipissing have market income relative to the province, more people have government income.
- Within individual market income sources, the largest component - *employment income* - provides the greatest divide between the district and province in terms of the amount and

share of income. Nipissing district has 4.7% fewer people (aged 15 years and under) with employment income than the province, and a median employment income that is \$4,000 lower. Additionally, while employment income accounts for about 60.0% of total income in Nipissing District, it accounts for over two-thirds of provincial total income. The smaller employment income also correlates with the district's larger EI income under government transfers.

- It is also interesting to note the difference in private retirement and investment income between the district and province. Nipissing District has 5.0% more people with private retirement income, which accounts for a larger share of total income (11.7% vs. 7.5%) and provides a median income that is \$1,600 higher than the province. On the other hand, Nipissing District has 2.0% fewer people with investment income than the province, which accounts for a smaller share of total income (3.4% vs. 5.5%) and a smaller median investment income (by -\$252), although this income is relatively small for both areas.
- Turning to government transfers, Nipissing District has a greater reliance on CPP/ QPP than the province with one-third of the population aged 15 years and older having income from this source (vs. 23.4% for Ontario). The CPP/ QPP also provides a greater share of total income in Nipissing (5.7% vs. 3.6%) although the median income is similar in both areas.
- Nipissing also has a greater reliance on OAS & GIS with close to one-quarter of the population having income from this source (vs. 18.9% for Ontario). This income source also accounts for a larger share of total income in the district (4.7% vs. 3.1%) although the median OAS & GIS income is the same in both areas.
- Other government transfer areas where Nipissing District receives relatively more income than the province are EI benefits, social assistance, and workers' compensation. Of direct interest and relevance to the Board, the percentage of people on social assistance in Nipissing District is approaching twice that of the province.
- The district has relatively more people with income from these respective sources above, and higher median amounts than the province, and these income sources account for a larger share of total income in the district.

## 5.0 Low Income in Nipissing District

The following sections look at the low income of individuals and family households living in Nipissing District. As mentioned earlier, the Market Basket Measure (MBM) is Canada's official poverty line and the preferred measure for this study. However, at the time of the analysis and writing the report, Statistics Canada has not published the 2021 census MBM data and these datasets are currently unavailable. Subsequent reports will analyze the MBM data when it becomes available to establish the current poverty rate in Nipissing District. In the meantime, and in absence of the MBM, the Low Income Measure-After Tax (LIM-AT) is used to

gauge the extent of relative low income of the population living in private households in Nipissing District (see section 2.2.2 for LIM-AT definition).<sup>14</sup>

The following table shows the number of persons by broad age group in the district, whose income falls below the low-income line after income tax is taken into account:

Table 5. Low Income Nipissing District, 2020	Low Income Measure, After Tax (LIM-AT)		
Age Group	persons in age group, #	persons in low-income (age group), #	persons in low-income (age group), %
<b>Low Income</b>	<b>*82,865</b>	<b>10,780</b>	<b>13.0</b>
0-17 years	14,700	1,990	13.5
0-5 years	4,415	710	16.1
18-64 years	49,700	5,925	11.9
65 + years	18,465	2,865	15.5

\*Number of persons living in private households in Nipissing District.

- Based on the LIM-AT, 13.0% of persons in private households in Nipissing District are living in low income. In absolute terms, this amounts to close to 11,000 people.
- The prevalence of low income varies by broad age group: For those aged 17 years and under the percentage (13.5%) of low income is similar to the overall population. However, as a subset of this group, a higher (16.0%) percentage of children aged 5 years and under are living in low-income households.
- Senior citizens aged 65 years and over also experience a higher (15.5%) prevalence of low income than the general district population, while the broad age group of 18-64 years is lower (12.0%).

## 5.1 Low Income: Nipissing District and Ontario

The table below shows the prevalence of low income for Nipissing District along with Ontario for comparison purposes:

Table 6. Low Income Nipissing District and Ontario, 2020	Low Income Measure, After Tax (LIM-AT)	
Age Group	Nipissing: persons in low-income (age group), %	Ontario: persons in low-income (age group), %
<b>Low Income</b>	<b>13.0</b>	<b>10.1</b>
0-17 years	13.5	11.5
0-5 years	16.1	12.4
18-64 years	11.9	9.1
65 + years	15.5	12.1

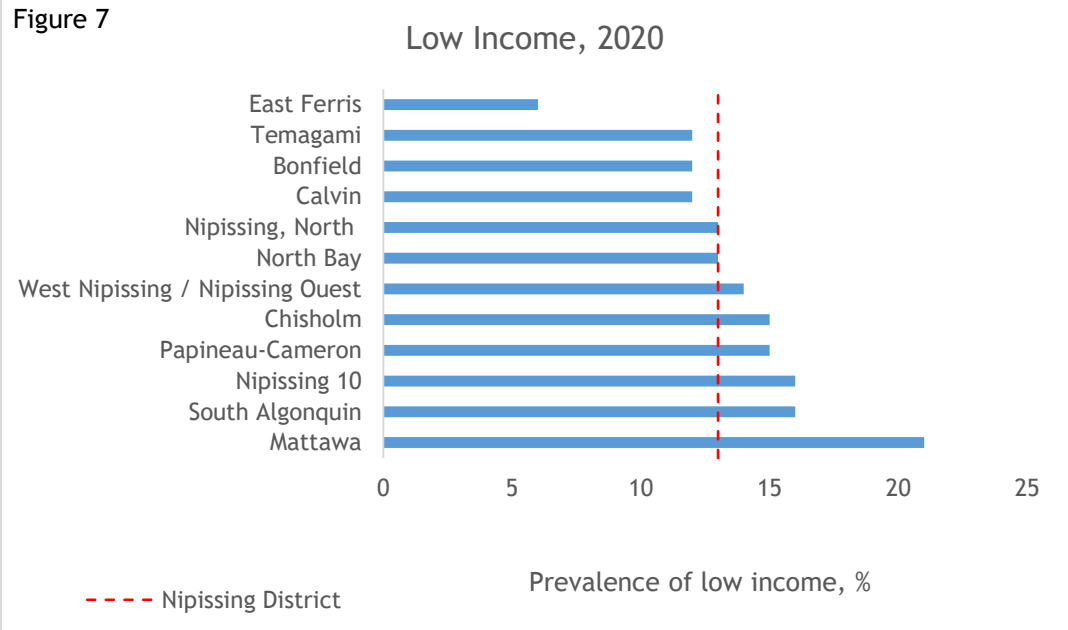
<sup>14</sup> As stated by Statistics Canada, persons living in collective households that are commercial, institutional, or communal in nature, are not included in the low-income measures because their living arrangements and expenditures can be quite different from those living in private households.



- For the overall population living in private households, the prevalence of low income in Nipissing District is 3.0% higher than in the province. This is in keeping with the earlier findings of Nipissing’s relatively higher share of government transfers and lower income, in general.
- The prevalence of low income in the district is also higher than the province across the broad age groups, ranging from 2.0% higher for children and youth aged 17 years and under to 3.7% higher for children aged 5 years and under.

### 5.2 Low Income: Nipissing District Municipalities

Figure 7 below shows the prevalence of low income for Nipissing’s municipalities and areas that have census income reported (as with the previous income chart, the data for Bear Island, Nipissing South, and Mattawan has been suppressed for confidentiality purposes). The data is shown in ascending order, starting with the area that has the lowest prevalence of low income:



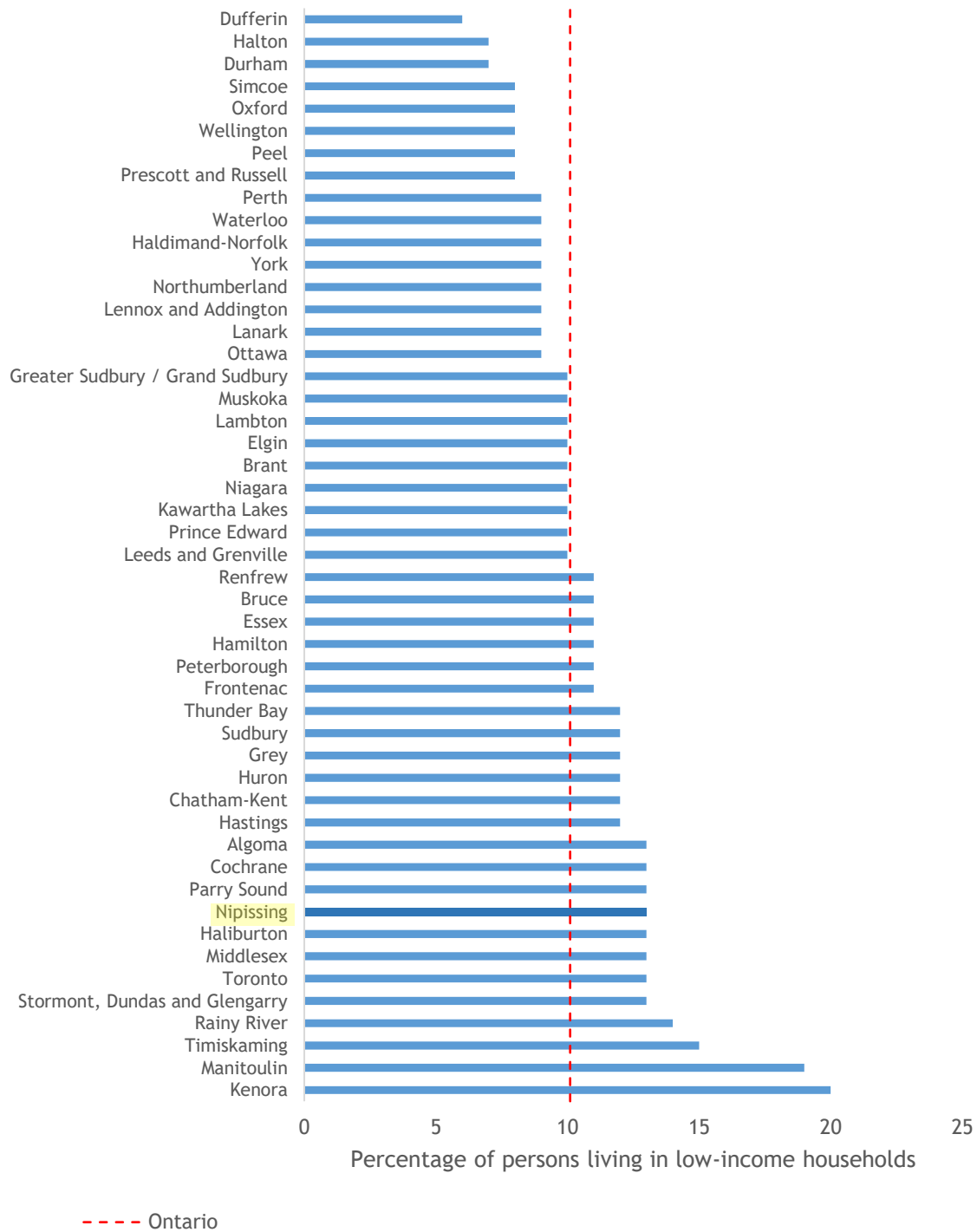
- The order of the municipalities and areas in the chart above is similar to that in Figure 1 with household income, as there is a moderate relationship between household income as a predictor of low income status (i.e., the higher the income, the lower the prevalence of low income, and vice-versa). However, other predictors also come in to play and this relationship does not always hold. For example, Temagami has relatively low household income (Figure 1) and the prevalence of low income is also low. On the other hand, Chisholm has relatively high income and also a higher prevalence of low income than would be expected.
- Similar to household income distribution (see Figure 1), East Ferris and Mattawa are outliers that are located quite a distance on the LIM measure from the other municipalities and areas.

- The prevalence of low income in East Ferris (6.0%) is three and a half times less than in Mattawa (21.0%).
- Temagami, Bonfield and Calvin have the next lowest prevalence of low income (12.0%) followed by Nipissing North and North Bay which sit at the district level (13.0%).
- Moving towards higher rates of low income, 14% of those living in private households in West Nipissing have low income, followed by Chisholm and Papineau-Cameron at 15.0%.
- Nipissing First Nation and South Algonquin have the highest prevalence of low income in Nipissing District (16.0%) apart from outlying Mattawa.

### 5.3 Low Income Across Ontario's 49 Census Divisions

- Figure 8 on the following page shows the prevalence of low income across Ontario's 49 census divisions / service manager areas. The data is shown in ascending order, starting with the area that has the lowest prevalence of low income based on the LIM-AT measure.
- The prevalence of low income ranges from 6.0% of persons living in private households in Dufferin County to over three times this rate in Manitoulin and Kenora Districts (statistical outliers at 19.0% and 20.0% respectively).
- Following Dufferin and in the first quartile of the distribution, the percentage of low-income persons in households ranges between 7.0% in Halton and Durham Regions to 9.0% in Ottawa.
- The areas on the chart between Greater Sudbury and Leeds and Grenville, occupy the next quartile with a prevalence of low income of 10.0% (also the provincial rate and median).
- Moving into the third quartile of the distribution, the areas between Renfrew and Hastings counties have a higher prevalence of low income of 11.0% - 12.0%.
- The upper quartile of the distribution starts at Algoma on the chart and has the areas with the highest prevalence of low income in the province. This group includes Nipissing and seven other districts in Northern Ontario, with the prevalence of low-income ranging between 13.0% - 20.0%.

**Figure 8** Prevalence of Low-Income Across Ontario's 49 Census Divisions, 2020



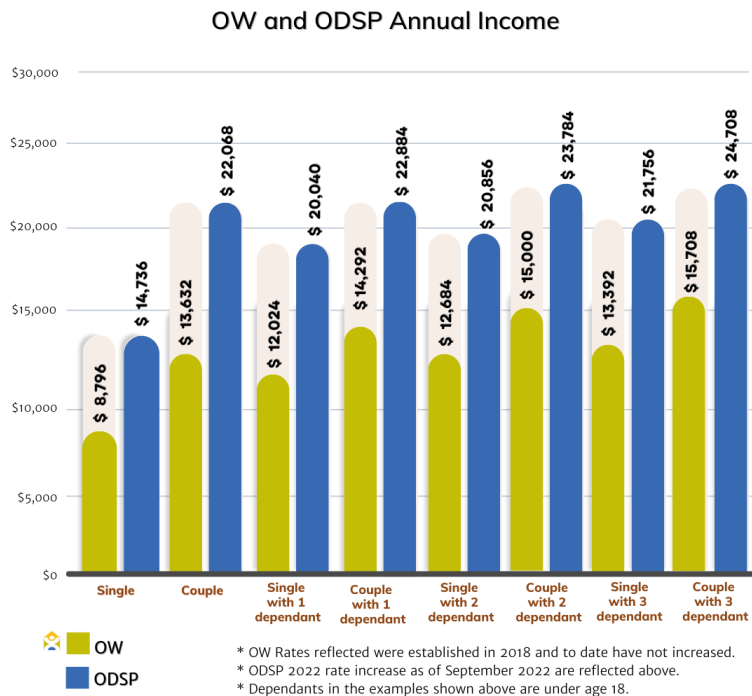
# 6.0 Ontario Works Income Comparisons

## 6.1 Ontario Works (OW) and Ontario Disability Support Program (ODSP) Income

Even within Ontario’s response to poverty through social assistance programs it is important to note that there are significant legislative differences between OW and ODSP. One of these differences relates to the base rate for basic needs and shelter. Figure 9 below illustrates the maximum entitlement for basic needs and shelter for OW and ODSP for the family types listed with an accommodation type of renter. Due to the number of possible combinations with respect to family composition and accommodation type, all scenarios have not been captured in the bar graph.

Note: Social assistance recipients who pay less for their housing than the maximum shelter amount only receive the amount they pay. For example, a single recipient in receipt of OW living in a Rent Geared to Income unit pays \$85.00 per month in rent versus the OW maximum shelter allowance of \$390.00. The next report in this series will provide additional analysis on social assistance rates for shelter and the low representation of social assistance recipients in subsidized housing across the province.

Figure 9



- As shown above in Figure 9, maximum OW rates, depending upon the family type, range from being 40%-46% lower than maximum ODSP rates placing OW recipients in a far more precarious situation to meeting their basic needs. However, with that said and as

you will see later on in this report under Section 6.5 OW/ODSP Income and Low Income Measure After Tax (LIM-AT), ODSP rates also fall far below the low-income line.

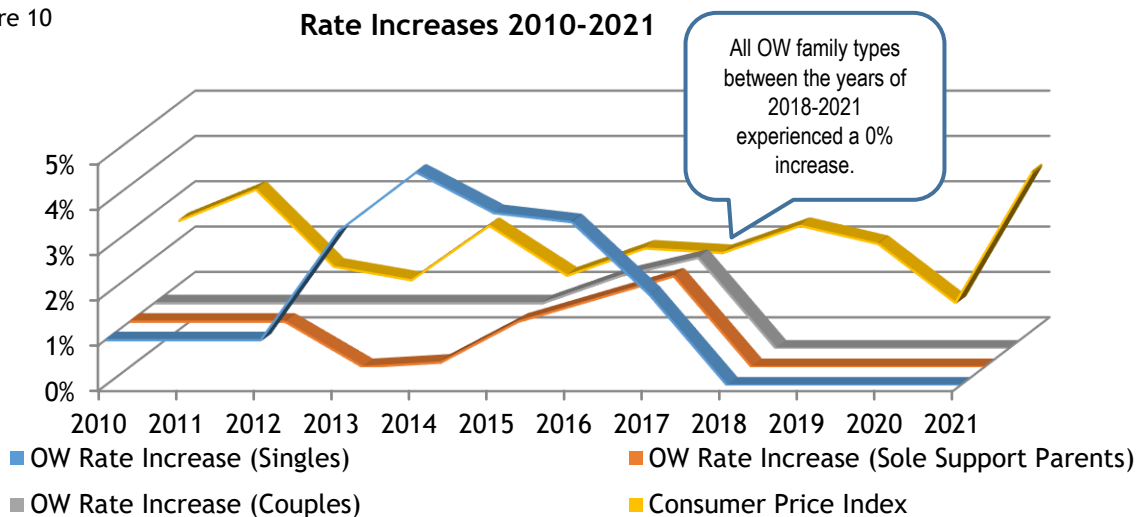
- As reported through the Ontario Newsroom (2022), a 5.0% increase in ODSP rates effective September 2022 was announced which will serve to widen the gap between the income of the OW and ODSP caseloads.

## 6.2 OW Income and Inflation

The Consumer Price Index (CPI) monitors the upward price movement of goods and services in the economy and is one of several indices used to calculate inflation. As a social assistance recipient’s ability to participate in the economy by purchasing the goods and services that are essential to their health and wellbeing is intrinsically tied to social assistance rates, a comparison between the fluctuating CPI rate and social assistance rate increases for the period of 2010-2021 has been included in this Report. This comparison can help us to better understand the adequacy or inadequacy of social assistance rates as a response to poverty.

For the purpose of this comparison only OW rates for three family household types (singles, sole support parents, couples) have been included in Figure 10 below. These three household types were selected to illustrate the differences in rate increases between these groups during this period due to changes in provincial legislation.

Figure 10



Generally, over the last 10 years, OW rates have not kept pace with inflation, with the exception of singles who had rate increases above the inflation rate between 2013 and 2017. Since then however, there have been no rate increases for OW, let alone at the inflation rate or higher. Other points of interest are noted below:

- Overall rate increases for sole support parents were lower in comparison to couples and singles. This difference was offset by increases in child related benefits in 2013. Since that time additional legislative changes under the Ontario Works Act exempting all child related benefits, including child support income, also placed families with children in a more favorable financial position overall when looking at total income.

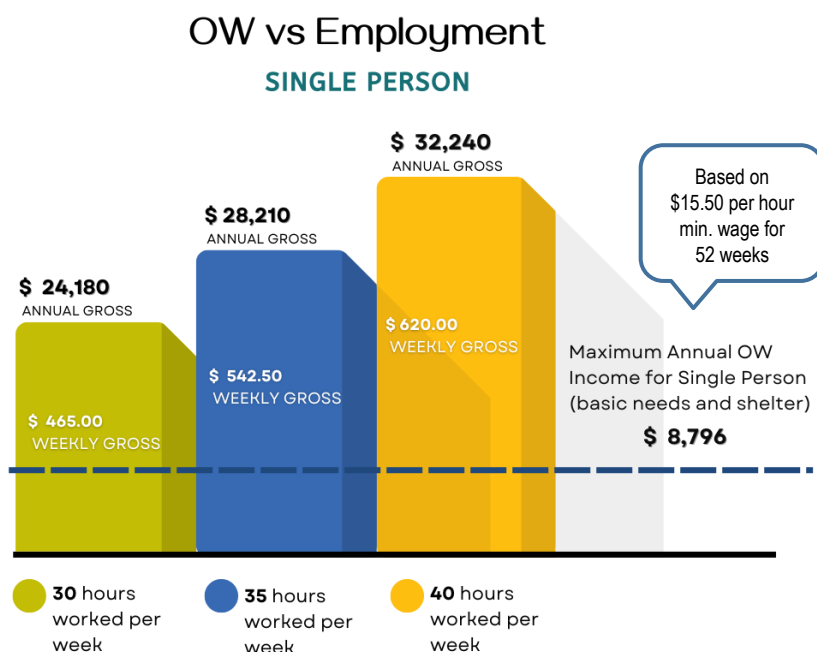
- OW Singles experienced the highest rate increase of 4% in 2014 with increases declining steadily thereafter.
- With the exception of 2017 when the OW increase was marginally above the CPI rate, between the years of 2010-2021, CPI rate increases were higher than the increases received by Sole Support Parents and Couples.
- While the district’s general population experienced real household income growth of 10.7% (\$7,000) since the previous 2016 census as noted in Table 1, there has been no household income growth for those relying on Ontario Works.
- Effective August 25<sup>th</sup>, 2022, through a communication from the Social Assistance Program Policy Branch the provincial government announced their commitment to linking future ODSP rate increases to the rate of inflation. No commitments have been made to increase rates for OW.

### 6.3 OW Income and Minimum Wage

Minimum wage comparisons are often used to benchmark the adequacy or inadequacy of social assistance rates. In fact, it can be argued that the provincial minimum wage is what keeps social assistance rates low as it is believed by some that if social assistance rates are comparable to the minimum wage, there will be no financial incentive to work. The purpose of this Report is not to support or refute this claim.

Figure 11 below illustrates the gross amount that a minimum wage earner working 30-40 hours per week would receive weekly and annually compared to the amount a single person in receipt of OW. Excluded from this analysis is how OW income compares to that of a minimum wage earner when an OW recipient is in receipt of earnings and receiving earnings exemptions.

Figure 11

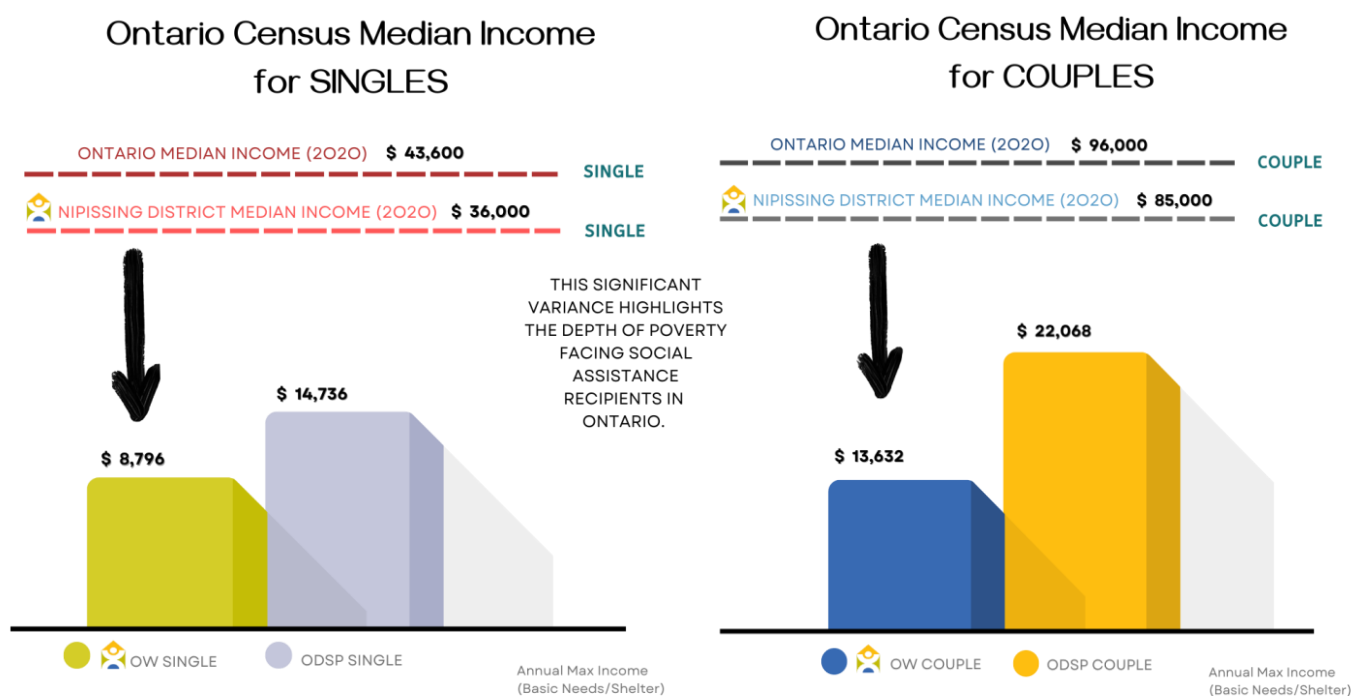


- A person working 40 hours per week would earn a gross income of \$32,240 per year compared to an annual income of \$8,796 for a single person in receipt of OW with no other source of income.
- The provincial minimum wage increased in October 2022 from \$15.00 to \$15.50. This change has widened the gap between the annual income of a social assistance recipient and that of a minimum wage earner.

## 6.4 OW and Median Income

Figure 12 below illustrates Nipissing and Ontario Median Incomes in relation to the OW and ODSP maximum rates for two of the social assistance family types (single households and families without children). As family household types and social assistance rates are not aligned using the methodology used to calculate median incomes, only the median incomes for Single Households and Families without Children can be directly compared.

Figure 12



- The median income for Nipissing District for a Single Household is \$36,000 with the Ontario Median Income being slightly higher at \$43,600. The annual income of a single Ontario Works recipient with no other income is \$8,796 with the ODSP annual income being \$14,736. These significant variances highlight the depth of poverty facing social assistance recipients in Ontario.

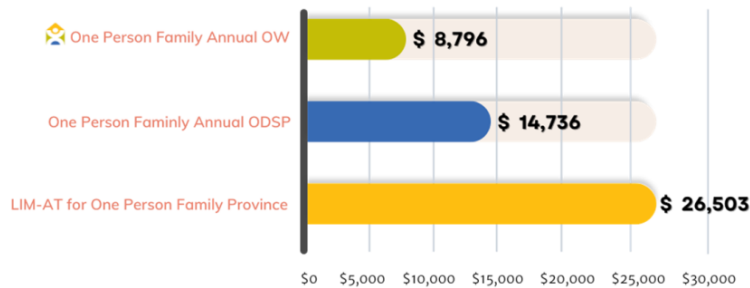
## 6.5 OW/ODSP and Low Income Measure After Tax (LIM-AT)

As described in Section 2.2.2, the Low Income Measure After Tax (LIM-AT) is a relative measure, whereby a household is considered to be living in low income or poverty if its income is significantly lower than other households. Figure 13 and 14 below compares the LIM-AT for

two social assistance family household types with no other source of income, and the general census population (as noted earlier, it is difficult to compare all the census and social assistance family household types due to the complexities of social assistance income, especially where child-related benefits are concerned). For this reason, only singles (one person) and two person families without children have been included in the comparison.

Figure 13

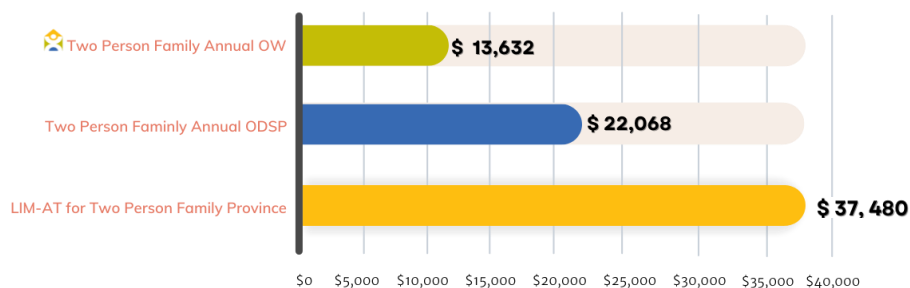
LIM-AT One Person Family vs One Person Family OW and ODSP



- The annual income for a single in receipt of OW is \$8,796 compared to the low-income threshold of \$26,503 for the general singles population (see table in Appendix 3). This puts the OW income at about one-third the low-income threshold, or almost -\$18,000 less than the low-income line
- While ODSP income for singles (\$14,736) is about one and a half times higher than OW, it is only half the low-income threshold amount.

Figure 14

LIM-AT Two Person Family vs Two Person Family OW and ODSP



- As noted by the chart, the picture does not change much for couples/ two-person families, other than the income amounts being relatively higher. For example, the annual income for couple families in receipt of OW is \$13,632 compared to the low-income threshold of \$37,480 for the general population (see table in Appendix 3). This puts the OW income at a little under one-half the threshold income, or about -\$24,000 less than the low-income line.
- Similar to singles (above), while ODSP income for couple families (\$22,068) is about one and a half times higher than OW, it is only a little more than half the low-income threshold amount.



## References

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# Appendix

## Appendix 1. Components of Income in 2020

Total Income	Market income	Employment income	Wages, salaries and commissions
			Net self-employment income
		Investment income	
		Private retirement income	
		Market income not included elsewhere	
	Government transfers	Old Age Security pension (OAS) and Guaranteed Income Supplement (GIS)	Old Age Security pension (OAS)
			Guaranteed Income Supplement (GIS) and spousal allowance
		Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	Retirement benefits
			Disability benefits
			Survivor benefits
		Employment Insurance (EI) benefits	Regular benefits
			Other benefits
		Child benefits	Federal child benefits
			Provincial and territorial child benefits
		Other government transfers	Social assistance benefits
			Workers' compensation benefits
			Canada workers benefit (CWB)
			Goods and Services Tax (GST) credit and Harmonized Sales Tax (HST) credit
			Government transfers not included elsewhere

Source: Statistics Canada, Census of Population 2021; [Dictionary, Census of Population, 2021 - Appendix 2.4 Components of income in 2020 \(statcan.gc.ca\)](#)

## Appendix 2. Summary of low-income lines in the 2021 Census of Population Program

Dimensions	Low-income concept		
	Market basket measure (MBM) <sup>1</sup>	Low-income measure (LIM)	Low-income cut-off (LICO)
<b>Geography</b>	53 regions	One level across Canada	Size of area of residence
<b>Unit for income</b>	Economic families and persons not in economic families	Households	Economic families and persons not in economic families
<b>Adjustment factor</b>	Square root of economic family size	Square root of household size	Different lines based on size of economic family up to the 7 or more members category
<b>Income</b>	Disposable income for MBM for economic families and persons not in economic families <sup>2</sup>	After-tax income of households <sup>4</sup>	After-tax income of economic families and persons not in economic families <sup>6</sup>
		Total income of households <sup>5</sup>	Total income of economic families and persons not in economic families <sup>7</sup>
<b>Line</b>	Price of the basket of goods and services for the reference family <sup>3</sup>	Half the median of adjusted income	Income level at which families usually spend 20 percentage points more than the average family on shelter, food and clothing <sup>8</sup>

### Notes:

- <sup>1</sup> The MBM is Canada's Official Poverty Line.
- <sup>2</sup> For Employment and Social Development Canada's [Market Basket Measure \(MBM\)](#).
- <sup>3</sup> The contents of the basket for the 2018-base MBM were defined by Employment and Social Development Canada, and prices were measured by Statistics Canada.
- <sup>4</sup> For the Low-income measure, after tax (LIM-AT).
- <sup>5</sup> For the Low-income measure, before tax (LIM-BT).
- <sup>6</sup> For the Low-income cut-offs, after tax (LICO-AT).
- <sup>7</sup> For the Low-income cut-offs, before tax (LICO-BT).
- <sup>8</sup> Based on estimates from the 1992 Survey of Family Expenditures adjusted to 2020 dollars with the Consumer Price Index.

### Appendix 3. Low Income Measure After Tax (LIM-AT) thresholds for persons in private households, 2020

## Low-income measures thresholds (LIM-AT and LIM-BT) for private households of Canada, 2020

Release date: July 13, 2022

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Household size <sup>1</sup>	After-tax income	Before-tax income
1 person	26,503	30,401
2 persons	37,480	42,993
3 persons	45,904	52,655
4 persons	53,005	60,801
5 persons	59,261	67,978
6 persons	64,918	74,466
7 persons	70,119	80,432

<sup>1</sup> To convert to other household sizes, multiply the value in the one-person household by the square root of the desired household size.

Source: Statistics Canada, Census of Population 2021; [Dictionary, Census of Population, 2021 - Low-income measure, after tax \(LIM-AT\) \(statcan.gc.ca\)](#)