



INSPIRE \* BUILD \* CHANGE  
United Way of Greater Simcoe County  
[unitedwaysimcoecounty.on.ca](http://unitedwaysimcoecounty.on.ca)

---

# MYTHS

## The Truth about Poverty in Simcoe County

Simcoe County has experienced tremendous growth in recent years. The population expanded by 10.7% between 2001 and 2006, more than twice the national rate and 4.5% higher than the provincial average. During the same period median incomes in Simcoe County increased by 10.9% but continued to fall below the provincial average in nearly all categories. Unemployment currently sits at about 5.5%, lower than both the provincial and national rates.

Figures like these can easily mask the ongoing problem of poverty. Despite recent growth, many people continue to struggle to make ends meet. A beleaguered manufacturing sector, the increase in low-paying – often part-time – service sector jobs, and the rising cost of living – for fuel, food, and housing – are acute concerns.

This document explores common myths about the standard of living in Simcoe County.

What follows is a brief statistical overview intended to throw light on the poverty in our midst.

## Defining Poverty

According to Statistics Canada's Low Income Cut-Off (LICO) definition of poverty, a household is poor if it spends at least 20% more than the average Canadian household on basic needs such as food, clothing, and shelter.

The average expenditure on these basic necessities is estimated to be 43% of after tax income. By these standards, a family is "poor" if it spends 63% of household income on basic needs. In 2006, just under 1.3 million people in Ontario were classified as living in low-income households. (*Statistics Canada, Income in Canada, 2006*)

# POVERTY

### *Imagine*

Imagine all the people  
sharing all the world...

You may say I'm a dreamer  
but I'm not the only one  
I hope someday you'll join us  
and the world will live as one

*-John Lennon*

# MYTH #1

## People living in poverty do not have a job

Between March 2007 and March 2008, 21% of people accessing the Barrie Food Bank reported wages as their primary source of income, a problem attributed to the growth of temporary and part-time employment. (*Barrie Food Bank*)

In fact, since the mid 1990s the ability for a person earning the Ontario minimum wage to support themselves and their family has declined sharply. Between 1995 and 2004, a single minimum wage income rated as a percentage of the low-income cut-off level fell from 74% to 64%. (*Campaign 2000, Working, Yet Poor in Ontario, March 2006*)

A recent study of housing needs in Simcoe County, found that a major contributor to homelessness in the region was the growing gap between housing expenditures and low-wage incomes. (*County of Simcoe, County of Simcoe Housing Needs Assessment and Recommended Housing Policies and Programs, 2006*)

In June 2008, 4,460 households were receiving Ontario Works assistance in Simcoe County. Of the over 6,200 adults receiving social assistance, over 990 (almost 16%) declared income. (*Ontario Works Department, County of Simcoe, August 2008*)





## **A strong economy means that Simcoe County's population is wealthy**

Average household incomes in Simcoe County range from \$76,720 for a double income household to \$34,039 for the average female-lead single parent household. (*Census Canada, 2006*)

Single parent families headed by men earned \$42,421. Single parents, especially the 13,900 female-lead families, are the most disadvantaged group in Simcoe County. Census figures show a slight increase in the gap between rich and poor since 2001.

While Simcoe County's unemployment rate in June 2008 was below the national and provincial levels, the large service sector employment levels suggest many people are working for low wages, or in part-time, seasonal or limited term contract positions that are not sufficient for secure living conditions. The average hourly worker in Ontario earned \$44,000 but a person working full-time at minimum wage earns less than \$18,000 annually. (*Statistics Canada Labour Survey, June 2008*)

Between June 2007 and June 2008 average hourly wages increased by 4.4% while the Consumer Price Index (inflation) increased by 2.2%. Most recently, however, the rapid rise in gasoline prices and the carry-over effect for nearly all other products has raised the inflation rate to 3.1%, significantly cutting into any wage increases. (*Canadian Press, 24 July, 2008*)

In 2005, 41.5% of Ontario children living below the poverty line had at least one wage-earning parent in full-time, year-round employment. Some 28.8% of poor children had at least one parent working part-time for part of the year. In other words, for over 70% of children in low-income families at least one parent was employed. (*Toronto Star, 2 April 2008*)

Average household expenditures for low-income families on Ontario Works in Simcoe County are 21% more than what they receive. (*Simcoe County Child Youth Family Coalition, 2008*)

**MYTH #2**

# MYTH #3

## Full-time workers earn enough to support themselves and their families



Canada Mortgage and Housing Corporation recommends that households spend no more than 30% of their income on housing. With the average rent in Simcoe County at \$832 (*Census Canada, 2006*) a household income of \$33,280 is required. Some 40% of renters in Simcoe County spend more

than 30% of their income on shelter while 20% spend more than 50% of their income. This situation puts renters at very high-risk for homelessness. Finding rent-geared-to-income housing is extremely difficult. There are more households in Simcoe County on the RGI waiting list than the total number of RGI housing units in the county. (*Simcoe County Child Youth Family Coalition, 2008*)

There were 3,351 households on the Social Housing RGI waitlist as of June 2008. (*Social Housing Department, County of Simcoe, August 2008*)

In 2005 the average price for a single family dwelling in Simcoe County was \$223,299. An annual income of \$66,980 would be required to afford the average home. The median income of all census families in Simcoe County in 2006 was \$69,263. Thus, just over half of all households can manage to own a home without putting pressure on other necessary expenditures such as food, clothing, and transportation. House prices in Simcoe County rose during 2006 and 2007 but began to fall in 2008 and are only slightly higher than the 2005 figure as of July 2008.

The County of Simcoe operates a Housing Retention Fund, which provides financial assistance to low-income families for rental or emergency energy costs. Families accessing funding assistance do not include any households already receiving Ontario Works or Ontario Disability Support Payments. In 2007, close to 200 households accessed the rental arrears component, and similarly, close to 200 households accessed the energy arrears assistance. The rental arrears component is supported by the Ministry of Municipal Affairs and Housing, and the emergency energy arrears funding is supported by the Ministry of Community and Social Services. (*Children and Community Services, County of Simcoe, August 2008*)



# MYTH #4

## Self-employed workers are wealthy professionals

Self-employed people are at a greater risk of working for low- wages than salaried workers. On average, self-employed people are as poor as the non-working poor. Self-employed Canadians worked an average of 650 hours more in a year but reported half the salary of full-time salaried employees. (*Human Resources and Social Development Canada, 2006, When Working is Not Enough to Escape Poverty*)

Self-employed workers tend to be more vulnerable because their activities fall outside many labour laws such as the payment of minimum wages and benefits. They also assume other work related risks on their own account. If they are dependent on one employer, and the employers treat them as private contractors, as for example pizza drivers and newspaper carriers, then the workers have almost no rights such as the provision of benefits, the maintenance of working conditions, or the provision of any forms of job rights. (*Human Resources and Social Development Canada, 2008 Canadian Workers Most in Need of Labour Standards Protection*)

Simcoe County has a higher percentage of people working from home than does the province as a whole. (*Census 2006*)



# MYTH # 5

**Between 120—200 young people fail to complete high school each year because of poverty**



## **Poverty Is Only an Issue for The Poor**

Canadians recognize that most families are not benefiting from the current strong economy. More families are falling behind compared to a generation ago. The rewards of a booming economy are being enjoyed by a minority of families (*Canadian Centre for Policy Alternatives, The Rich and The Rest of Us*). In part this is due to the fact that high-paying jobs in the knowledge sector require advanced education and training which many workers do not have.

Over five percent of the adult population of Simcoe County has not completed elementary school and 17% of the county population age 20-34 has not completed high school (*Statistics Canada*). The main reason for this is an inability to cope with the requirements of school life which may be caused by the challenges, many related to finances, that the student has at home.

Youth who do not complete their high school education are more likely to end up in low paying jobs and to experience repeated spells of unemployment. This places a direct financial burden, in the form of taxation, on the rest of society in order to provide social services. Low incomes also affect all forms of businesses by reducing the goods and services they can sell. This in turn reduces employment opportunities and detracts from the multiplier effect associated with a thriving economy. Reducing the number of people living in poverty becomes an issue for everyone.

The County of Simcoe reports that the childcare fee subsidy program has significant waitlists, in the amount of 1,174 children as of June 2008. The childcare fee subsidy program provides financial assistance to eligible families facing financial difficulties within Simcoe County. Eligible parents/guardians must be working, attending school, fulfilling a participation agreement with Ontario Works, or, in need of developmental programming for a child with special needs.

# MYTH # 6

## If the economy stays strong, the situation will improve

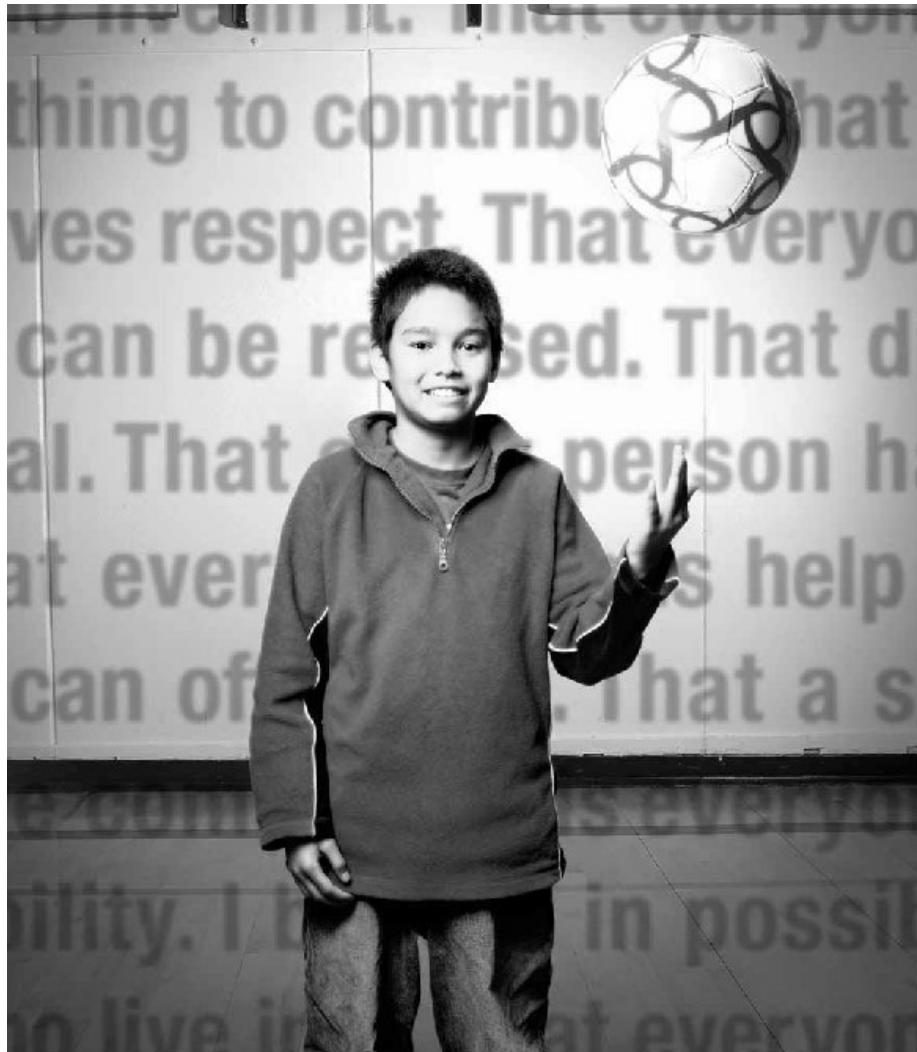
Since the mid-1990s Ontario's, and indeed much of Canada's, economy has boomed. Only in recent months have conditions begun to slacken. On the surface, relatively low unemployment figures suggest that the rising tide has lifted all boats, large and small. Yet over the last quarter-century the income of working people has not kept up with economic growth. During this period, for example, the top 1% of Canadian earners enjoyed a 113% increase in their annual incomes; by contrast, the average worker earned an increase of just 7%. (*Campaign 2000*)

Still, figures alone fail to describe the full scope of the problem. In Ontario, since the late 1980s, working conditions have also deteriorated, another factor leading to increased instances of poverty. Temporary work and other forms of unstable employment, some of which are carried out beyond the reach of existing labour laws, means that while people are working they remain highly susceptible to exploitation and unfair labour practices that hinder their ability to earn a living wage. (*Campaign 2000*)

What is more, poverty often remains persistent over time. To improve income levels often requires obtaining education or trade skills which take time and money to acquire and which many adults find difficult to access. These barriers represent acute problems for young people just entering the labour force, for new immigrants, and for visible minorities. (*Campaign 2000*)

Children and seniors are also susceptible to underlying cycles of poverty. Experts argue that family economic security prior to age six and access to quality child-care are closely related to a child's level of "developmental readiness" for school. (*YMCA of Simcoe Muskoka, 2007*) Recent provincial government funding has improved the child-care situation; however, the YMCA, the largest provider of day care in the county, reports a current waiting list of over 800 families. Simcoe County now provides child-care funding to parents based on income level alone with no evaluation of personal circumstances.

After years of struggling to make ends meet, many seniors continue to work after they reach the age of retirement. According to Statistics Canada most working seniors prefer to take part-time jobs, although 23% report that full-time employment is not available. (*Statistics Canada Labour Market Survey, 2007*)



INSPIRE \* BUILD \* CHANGE

## What can you do?

In Greater Simcoe County, we have need to reduce poverty. We have a culture of achievement and success. We have a tradition of commitment. We have organizations and people with the power to influence political will and implement change. We have abundant resources to fuel community action.

*Consider how you treat people.* Think about the underlying conditions that make people vulnerable to economic distress. Remember that there are many different groups of Greater Simcoe County residents living in poverty. Offer assistance or a kind word to your neighbours, the young mother with a child on public transit, or the office cleaning staff who might be struggling to make ends meet.

*Volunteer in your community.* Whether you offer to help your neighbour, organize a **Day of Caring**<sup>®</sup> with your friends or co-workers, or get involved with poverty reduction initiatives, you can make a tangible difference in the community.

*The smallest act of kindness is worth  
more than the grandest intention*  
~ Oscar Wilde



### Here's what you can do:

Donate to United Way of Greater Simcoe County. By investing in United Way, you help to meet the immediate needs of people living in poverty. You also support long-term, community-wide initiatives that will ultimately reduce poverty in our community.

Use your voice. You have the power to educate others about the realities and complexities of reducing poverty. Take opportunities to speak out and help raise awareness about this issue. Speak with your MP or host a dinner party and include a discussion about poverty in Simcoe County. But don't stop with simply talking about it, agree to take action.

Offer job training or employment to people who are unemployed, or encourage your employer to do so.

We can all play a part in making Simcoe County a truly great region for everyone! By breaking the cycles and myths of poverty, we believe all of Simcoe County residents will have opportunity to reach their full potential.