

Preliminary Notes on a  
Decomposition of Senior Poverty  
In Canada

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**Senior Below-LIM Rates**  
(LIM = Low Income Measure  
= 50% of Median Adjusted Family Income)

	About 1970	About 1980	About 1990	About 2000
Australia	n.a.	24	23	23
Canada	37	22	6	6
Germany	18	14	11	10
Netherlands	n.a.	4	3	2
Norway	n.a.	6	14	12
Sweden	14	3	6	8
U.K.	15	22	24	20
U.S.	28	27	22	25

**Senior Below-LIM Rates**  
**Comparing 50% LIM Threshold with 40% LIM Threshold**

	About 1970	About 1980	About 1990	About 2000
Australia 50	n.a.	24	23	23
Australia 40	n.a.	4	6	5
Canada 50	37	22	6	6
Canada 40	17	7	1	1
U.K. 50	15	22	24	20
U.K. 40	3	4	8	10
U.S. 50	28	27	22	25
U.S. 40	17	17	13	15

**Senior Below-LIM Rates**  
**Comparing 50% LIM Threshold with 60% LIM Threshold**

	About 1970	About 1980	About 1990	About 2000
Australia 50	n.a.	24	23	23
Australia 60	n.a.	50	46	47
Canada 50	37	22	6	6
Canada 60	52	39	19	17
U.K. 50	15	22	24	20
U.K. 60	36	50	44	35
U.S. 50	28	27	22	25
U.S. 60	38	37	30	33

**General Population Below-LIM Rates**  
(LIM = 50% of Median Adjusted Family Income)

	About 1970	About 1980	About 1990	About 2000
Australia	n.a.	11	12	13
Canada	16	12	11	11
Germany	7	5	6	8
Netherlands	n.a.	4	6	7
Norway	n.a.	5	6	6
Sweden	6	5	7	6
U.K.	6	9	15	12
U.S.	16	16	18	17

**Families with Children Below-LIM Rates**  
**(LIM = 50% of Median Adjusted Family Income)**

	About 1970	About 1980	About 1990	About 2000
Australia	n.a.	14	15	15
Canada	17	15	15	15
Germany	5	3	4	9
Netherlands	n.a.	3	8	10
Norway	n.a.	5	5	3
Sweden	2	5	3	4
U.K.	6	9	18	15
U.S.	19	20	26	22

## **Main points so far**

- **Sharp and Unusual (Internationally) Fall in Canadian Senior Below-LIM Rates since 1970**
- **Much clearer at 50% LIM Threshold than at 60% LIM Threshold**
- ***Senior-specific* (not matched by similar reductions for general population or for families with children)**

## **Rest of talk:**

- **Canada senior below LIM rate = 5.9%**
- **Can we “decompose” this 5.9%? Are there specific groups disproportionately below-LIM?**
- **(analysis below was also largely done with Low-Income Cutoff with similar results)**



**Important study: *Death of a Spouse: The Impact on Income for Senior Men and Women* by André Bernard and Chris Li, Statistics Canada**

- **uses tax data**
- **widowers below-LIM rate about 1% at time of loss, climbs to about 4% 5 years later**
- **widows below-LIM rate about 1% at time of loss, climbs to about 8% 5 years later**
- **similar numbers for entry into below-LIM**
- **main reason for difference: reduction in private pensions (but in each case loss of earnings and Old Age Security important)**

## **My goal**

- **use same tax data (Longitudinal Administrative Database, 20% sample of all taxfilers, close to 5 million records per year) to extend this examination to other groups**

Below LIM Rates, 2004, Males 66+

Age	Married	Widowed	Divorced	Separated	Single
66-					
70	4%	6%	6%	9%	12%
71-					
75	4%	5%	6%	8%	11%
76-					
80	3%	4%	5%	7%	12%
81-					
85	3%	4%	5%	8%	11%
86-					
90	3%	4%	6%	8%	13%
91+	4%	6%	8%	10%	14%

Below LIM Rate, 2004, Females, 66+

Age	Married	Widowed	Divorced	Separated	Single
66-					
70	3	10	12	18	16
71-					
75	2	8	12	18	15
76-					
80	2	7	11	20	16
81-					
85	2	7	10	20	15
86-					
90	1	8	12	22	14
91+	1	12	21	25	16

**One more important factor: Immigration**

**66+ Immigrants (1994-2003) below LIM rate: 71%  
(only about 2% of total 66+ population)**

**66+ Non-Immigrants below LIM rate: 4.8%**

Below LIM Rates, <u>Immigrants</u> , 2004 (when not specified, immigrants landed 1994-2003)	
Landed 1999-2003	77%
Landed 1994-1998	67%
Landed 1982-1993	18%
Age 66-75	70%
Age 75+	73%
Male immigrants	65%
Female immigrants	76%
Male married	64%
Male unmarried	72%
Female married	67%
Female unmarried	80%

## **Shortcomings**

- **Income poverty**
- **Home ownership**
- **Living with younger adults (In SLID, this lowers below LIM rate from 4.8% to 3.5%)**

## **Broad conclusions**

### **Higher below-LIM rate associated with**

- **Gender (higher for females)**
  - **Loss of spouse (death, divorce, separation), particularly for women**
  - **Being never married**
  - **Being an immigrant (especially recent)!!!**
  - **(Probably) not living with children**
  - **Not much with age**
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- **The married, nonimmigrant rate is about 3%, about half the overall rate**