

*The role of family and government  
financial supports in helping  
Canadian workers avoid poverty*

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# *Abstract*

In Canada, a considerable volume of research has been conducted over the last decade which has helped identify the populations most likely to experience poverty as well as the factors increasing the risk of living in poverty. However, only recently have we done more in-depth analyses of low-income Canadians that are actively participating in the labour market (see Fleury and Fortin, 2004, 2005 and 2006). Many interesting findings came out of this research, but one of the most striking was that for those that already work many hours, depending on only one earner and/or having many dependent children are the most important determinants of poverty, even more so than being low paid.

Because the financial support of the family appeared crucial to avoiding poverty, the next logical step was to identify and study who, among Canadians that work many hours and that are not actually poor, would become poor if they lost family support because of a change in family structure or because of the unemployment of other family earners. In other words who is vulnerable to poverty? The objective of the present study is to shed light on vulnerable workers in Canada. Because government benefits prevent many workers from living in poverty, sensitivity analysis of the role of benefits was also conducted. Data from the master file of Statistics Canada's Survey of Labour and Income Dynamics for years 1999 to 2003 were used to carry out the research. The main findings of the research are the following.

- In 2002, despite having a strong attachment to the labour market many Canadians were poor or were vulnerable to poverty as a result of changes in their family.
  - About 622,000 Canadians were working poor.
  - In addition, among non-poor workers with at least 910 hours of paid work, 3.4 million would have been poor had they separated or divorced, had other breadwinners in their family ceased to earn income, had they received half of their government benefits or had they relied solely on their own earnings to meet their personal needs.
- The main *personal characteristics* that increase the vulnerability of workers to low income are: to be a woman, to live in the Atlantic Provinces, to be young and not to have completed high-school. The main *labour market characteristics* are: to be low-paid, to be self-employed, to work less than full-time, full-year and to have little work experience. In comparison, the main determinants of poverty for workers are to be the sole earner in the family and/or to have many dependent children.
- A study of vulnerable and poor workers over 1999 to 2003 shows that:
  - Even today, where they are highly educated and have strong links with the labour market, many women still greatly rely on another breadwinner to make ends meet, both in a given year and over a longer time period.

- Although vulnerable workers could become poor if they lost family and/or government financial support, over a 5-year period they are not more likely than other workers to experience separation or divorce, to lose the financial support of other family breadwinners or to experience a drastic drop in government benefits.
- Actually being poor has long-term negative consequences that ‘simply’ being vulnerable to poverty does not.

# *Acknowledgements*

The author would like to thank François Weldon, Michael Hatfield and Dominique Fleury for providing useful comments on the study. She would also like to thank John Stapleton, with St-Christopher's House in Toronto, and Ron Saunders, with the Canadian Policy Research Networks, for reviewing the research closely and rigorously and for making valuable suggestions.



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# *Introduction*

Poverty can befall those of working age for any number of reasons related to events and circumstances often beyond their control. That said the likelihood of the events that may lead one into poverty is not evenly distributed across the population. As a result, a considerable volume of research has been conducted over the last decade which has helped identify many of these risk factors and the populations most likely to experience these events.

Canadian research has, however, mostly focused its attention on those in poverty rather than on those who could become poor. For instance, Hatfield (2004) identified certain groups in the population facing a particularly high likelihood of persistent poverty<sup>1</sup>. Other research by Fleury and Fortin (2004, 2005, and 2006) has shed light on poverty among Canadian workers and their families. The information contained in this combined body of research demonstrates that while attachment to the labour market is a key factor in explaining low income, family circumstances also play a major role, especially among those already in work.

Other work commissioned by the Canadian Policy Research Network (CPRN) has sought to identify ‘vulnerable’ populations, where that vulnerability results from the conditions of their employment<sup>2</sup>. In the final paper of the CPRN Series on Vulnerable Workers, Saunders lists the following factors as major contributors:

- Low earnings – due to low-pay and/or lack of stable, full-time employment;
- Lack of opportunity to upgrade skills;
- No entitlement to legal protections (such as minimum wages, paid vacations, etc.);
- Vulnerability to repercussions where they chose to complain about violations of the law;
- Inability to qualify for such programs as Employment Insurance or to fully benefit from public pensions;
- Lack of access to non-statutory benefits such as extended medical insurance, dental plans, disability coverage, etc.
- Difficulty accessing affordable housing or affordable child care services; and
- Lack of access to collective representation.

Although the CPRN notes the importance of the family and the government in supporting vulnerable workers, the CPRN analysis of these issues is largely qualitative in nature. The objective of this research is therefore to *quantify* the degree to which family and government financial supports prevent workers from living in low income. The research

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<sup>1</sup> Aboriginal persons living off reserve, unattached persons aged 45 to 64, lone parents, recent immigrants and persons with work limitations.

<sup>2</sup> See the CPRN vulnerable workers series located at: <http://www.cprn.com/en/theme.cfm?theme=47>

also addresses questions such as: What are the factors that allow vulnerable workers to avoid poverty? What are the events, or changes in vulnerable workers' lives that might tip the scales against them and land them in poverty?

In particular, this research will present a taxonomy of non-poor workers at risk of poverty. It will also present a select number of life events that could befall these workers that would result in poverty. In addition, the report presents some information related to the number of workers vulnerable to these events and some indication of the frequency with which these events occur. Finally, the analysis addresses the issue of the role of public support to workers and its role in keeping workers out of poverty<sup>3</sup>.

It is important to note that the simulation results presented in this report do not account for behavioural changes on the part of individuals (vulnerable workers might have the ability to increase work effort, change jobs or adopt other strategies to avoid poverty). Therefore, the estimates of the number of vulnerable workers are best interpreted as an upper-bound.

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<sup>3</sup> The numbers presented in this paper were derived using **un-revised** cross-sectional (2002) and longitudinal (1999-2003) data from the Survey of Labour and Income Dynamics (SLID). In 2006, Statistics Canada made revisions to the SLID. Consequently, numbers reported here may differ somewhat from those presented in Low Income in Canada 2004.

# *I. Major Factors Leading to Poverty*

Workers face essentially four major types of risk that could eventually lead them to periods of poverty. The implications of many of these events can also be exacerbated by lack of job-related benefits.

1. The person's own unemployment (due to job loss or major sickness) or underemployment;
2. Unemployment or underemployment of other family breadwinners;
3. Separation or divorce (among cohabiting couples<sup>4</sup>); and
4. Increases in personal and/or family expenses.

The impact on family income of unemployment, (the first and by far the most severe risk), has been documented, among others, by Fortin and Fleury (2006) and is therefore not addressed in this paper. In short, the authors found that “*Work is the most important factor associated with not living in low income, even if it is for only relatively few hours per year*” and that “*over 1996 to 2001 low-income unemployed Canadians accumulated fewer hours of work and were far less likely to exit poverty (than other active low-income individuals)*” (p.14, 2005). Obviously, long-term unemployed individuals face a much higher risk of becoming poor than other individuals active in the labour market, both in the short and over the longer term.

The impact on family income of an increase in expenses cannot be assessed using well-known (or more recent) measures of low-income as those measures either do not consider variations in the local cost of living<sup>5</sup> or because they are relative rather than absolute measures of deprivation<sup>6</sup>. Further, sudden increases in family expenses are not as likely to occur as most of the risks listed above (over the past ten years, inflation in Canada has mostly remained in the 1%-3% bracket<sup>7</sup>). For these reasons (in addition to the fact that the impact of higher expenses contribute to the likelihood of poverty merits separate consideration) we have not discussed this issue here.

As mentioned previously, the impact of having no job-related benefits has been comprehensively covered by CPRN in its *Vulnerable Workers series* and, therefore, will not be examined in this paper either.

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<sup>4</sup> Persons who separate need two households and do not enjoy economies of scale, therefore their greater risk of poverty. It is worth noting, though, that some individuals who part may go rapidly from one family to another, so the risk of poverty would be reduced in this instance.

<sup>5</sup> This is the case for both Statistics Canada's Low-Income Measure (LIM) and Low-Income Cut-Offs (LICO).

<sup>6</sup> This is true of the LICO and the LIM. It is also true, although to a lesser degree, of the Market Basket Measure (MBM) developed by the former Human Resources and Development Canada. Even though the MBM is not a purely relative indicator - it uses the actual cost of some goods and services to estimate low-income thresholds - it is still a relative measure of low-income.

<sup>7</sup> See the Bank of Canada *Summary of Key Monetary Policy Variables* at: <http://www.bankofcanada.ca/en/graphs/a1-table.html>

Consequently, the focus of this paper is on the impact, on the family income of workers, of separation or divorce, or the unemployment (or inability to work) of other family breadwinners. Because government benefits<sup>8</sup> prevent many workers from living in poverty, sensitivity analysis of the role of benefits is also conducted.

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<sup>8</sup> This includes all financial benefits provided by provincial and federal governments, such as Employment Insurance benefits, the Canada/Quebec Pension plans, Social Assistance benefits, the National Child Benefit, etc.

## *II. Definitions of Vulnerable Workers that Consider Family and Government Financial Support*

In order to achieve those objectives, three groups of vulnerable workers (or ‘potential working poor’ Canadians) were followed over time.

1. Workers who would be poor if they relied exclusively on their own income<sup>9</sup> to meet their personal needs - to assess the risk of separating/divorcing<sup>10</sup>.
2. Workers who would be poor if they lost access to the after-tax earnings of other family members to support their family - to assess the risk of unemployment or major sickness of other breadwinners in the family.
3. Workers who would be poor if they received only half of their government benefits - to assess the importance of the state’s safety net in preventing workers from living in poverty.

Information on working poor persons and on workers that are not self-sufficient is also presented in order to contrast vulnerable workers with those that are actually poor or who would become poor should they solely rely on the market to meet their personal needs (see Annex A for methodological details, including information on the definitions used in this paper).

Following Fleury and Fortin (2006), in this research:

*Workers* are defined as individuals aged 18 to 64, who are not full-time students and who accumulated at least 910 hours of paid work in the reference year.

*Low-income* (or *poverty*<sup>11</sup>) is assessed using the Market Basket Measure for cross-sectional analysis and the post-tax Low-Income Cut-Offs for longitudinal analysis<sup>12</sup>.

Workers are defined as mentioned above for the following reasons<sup>13</sup>:

- Individuals under 18 and full-time students are excluded from the population being studied as jobs are often transitory for these groups, taken on to provide a supplementary income while they are studying and not reflective of their ability to achieve long term economic and social goals.

<sup>9</sup> This includes earnings, government transfers, pension income, etc.

<sup>10</sup> Because of the complexity of the simulations, we limited our investigations to individuals who would end up having no parental responsibility after the separation or divorce.

<sup>11</sup> For the sake of efficiency of language, low-income and poverty are used indifferently in this paper.

<sup>12</sup> The longitudinal analysis is more interesting using the post-tax LICOs than the MBM, as the LICOs are available for a longer time period. At the time when this paper was prepared, the MBM thresholds were available only for years 2000 to 2002.

<sup>13</sup> See Fleury and Fortin (Chapter 2, 2006) for more details on this choice.

- Individuals aged 65 and over are also excluded given their unconditional eligibility for public pension benefits (with few exceptions).
- Working for pay 910 hours in the reference year is equivalent to working 26 weeks at an average of 35 hours per week, i.e. to spend most of the year working rather than not working.

All data presented in this paper comes from Statistics Canada's Survey of Labour and Income Dynamics (SLID). Cross-sectional analyses were done using 2002 SLID data, while longitudinal analyses were conducted using the 1999-2003 panels of the SLID<sup>14</sup>. Most of the tables and graphs discussed in this paper are presented at the end of the document (see Annex B).

In order to make the concepts of vulnerability, working poverty and lack of self-sufficiency more understandable to the reader, some examples follow next. All examples are for individuals living in Toronto in 2002. Statistics Canada's Low Income Cut-Offs were used to measure poverty among workers (in 2002, the after-tax Low Income Cut-Off for a family of four persons living in Toronto was \$30,433. The threshold for an unattached individual was \$16,096).

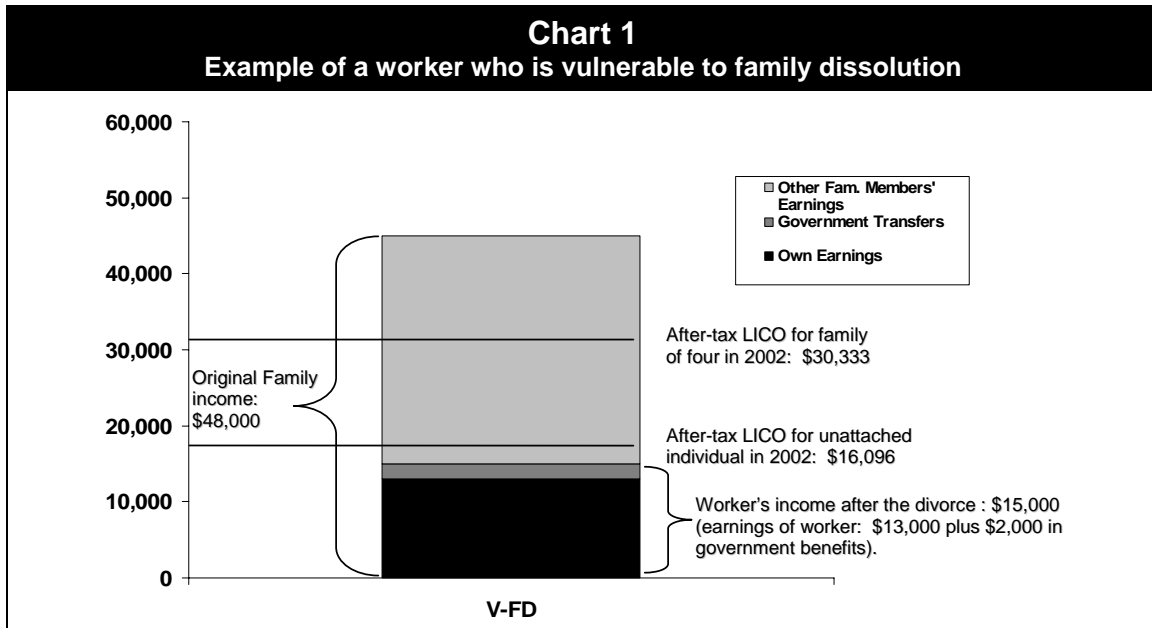
### ***1. What does it mean to be vulnerable to family dissolution?***

Chart 1 presents the case of a worker who lives in a family of four (two adults and two children), who is not poor but who would become so if he/she divorced in 2002 and lived alone afterwards. In this example, the original family income is \$48,000 per year which means that the worker and his/her family are initially not poor. However, because the personal **income** of the worker is too low to cover **personal needs**, he/she would become poor if he/she left the family<sup>15</sup>.

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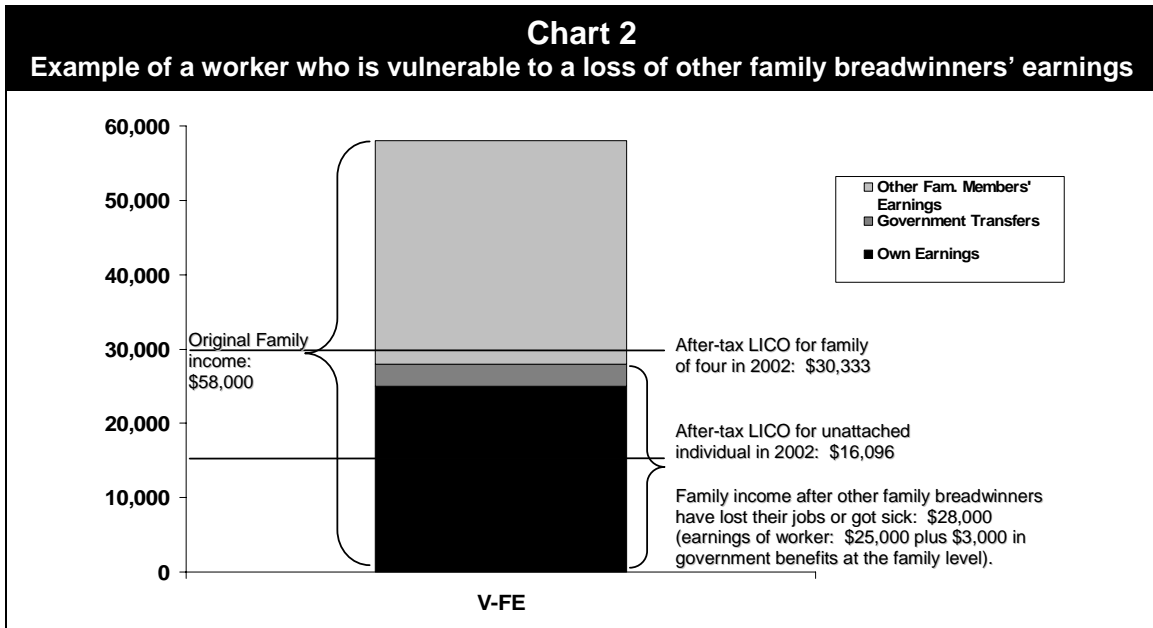
<sup>14</sup> These were the most recent data when the research started.

<sup>15</sup> We do not know how this would affect other members of the family. Furthermore, this analysis does not account for any ongoing costs associated with the separation, such as spousal or child support payments or receipts.



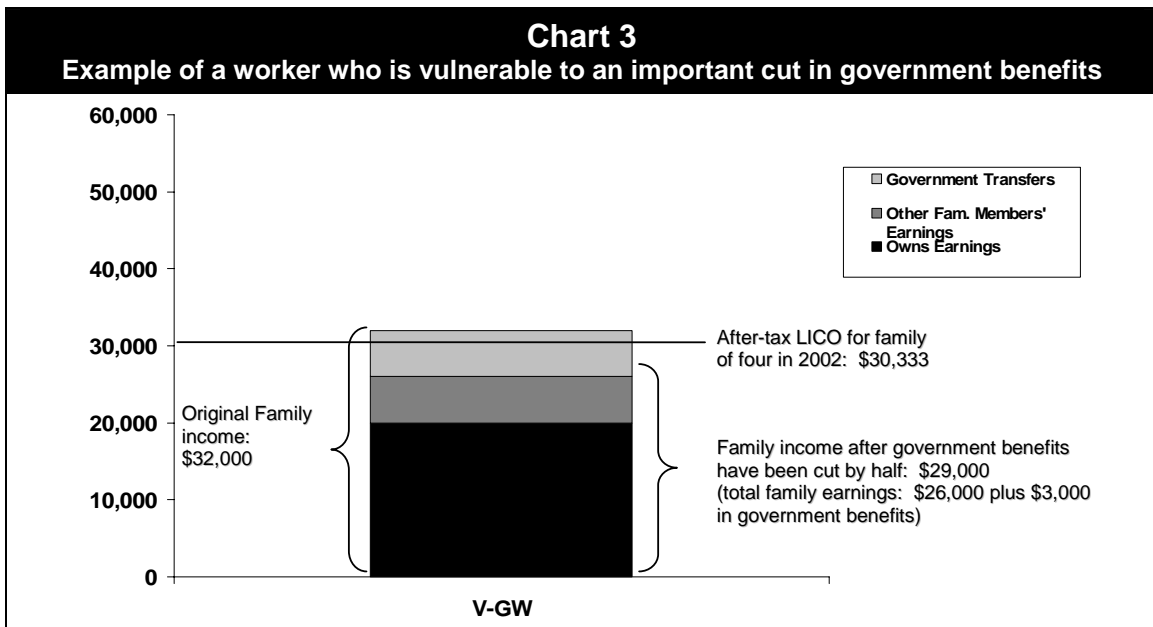
## 2. What does it mean to be vulnerable to a loss of other family breadwinners' earnings?

Chart 2 presents the situation of a worker who lives in a family of four (two adults and two children) who is not poor but would become so if the other adult member in the family lost his/her job or became incapacitated. In this example, the original family income is \$58,000 per year which means that the worker and his/her family are initially not poor. However, because the personal **income** of the worker is too low to cover **family needs**, the worker and his/her family would become poor should other family members stop contributing to the family income. Note that in this example, the worker would not have been poor if he/she had lived alone as his/her earnings were higher than the LICO for an unattached individual in 2002. Consequently, in this instance, poverty is caused by the responsibility of taking care of dependants (including a spouse).



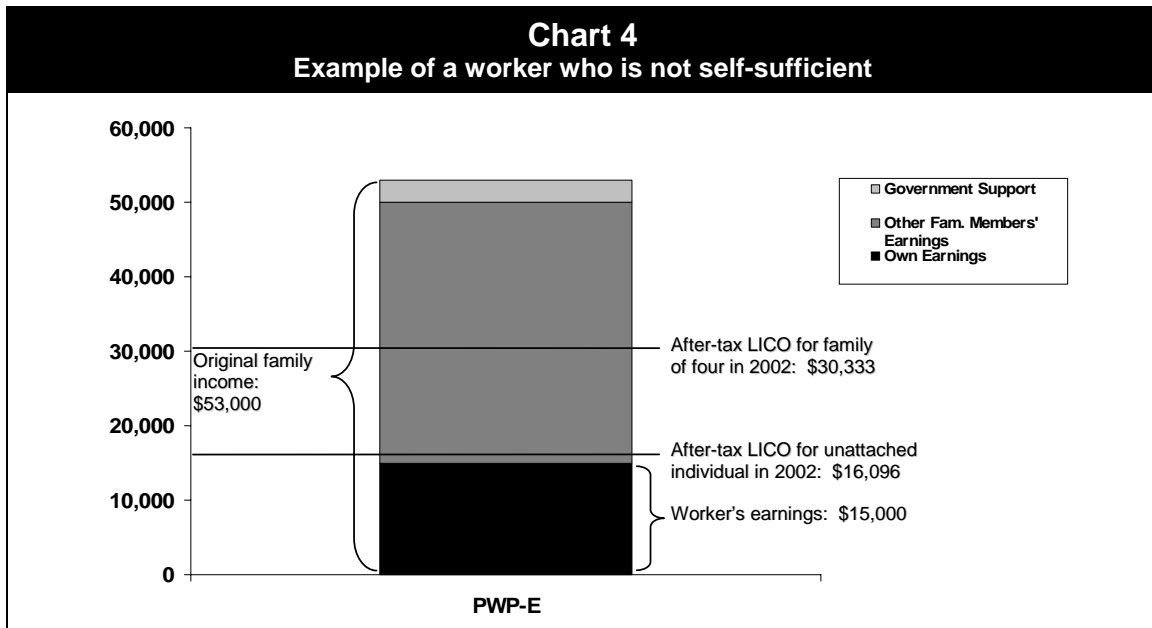
### 3. How important is the safety net in preventing workers from living in poverty?

Chart 3 presents the case of a worker who lives in a family of four (two adults and two children), who is not poor but would become so if he/she experienced a 50% drop in government benefits at the family level. In this example, the original family income is \$32,000 per year which means that the worker and his/her family are initially not poor. However, because a large part of the total family income comes from **government benefits**, if these benefits were cut by half then the worker and his/her **family** would become poor.



#### 4. What does it mean not to be self-sufficient?

Chart 4 presents the case of a worker who lives in a family of four (two adults and two children), who is not poor but would become so if they could only depend on their own **earnings** to meet their **personal needs**. In other words, it is the case of an individual who suffers from a combination of disadvantages: low earnings as well as absence of government support. In this example, the original family income is \$53,000 per year which means that the worker and their family are initially not poor. However, because the worker has low earnings if he/she lived on their own and could only depend on market income to get by then he/she would experience poverty.



#### 5. What does it mean to be working poor?

Chart 5 presents the case of a working poor person, i.e. a worker who lives in a family of four (two adults and two children) and whose **family income** is insufficient to support the **needs of all family members**.

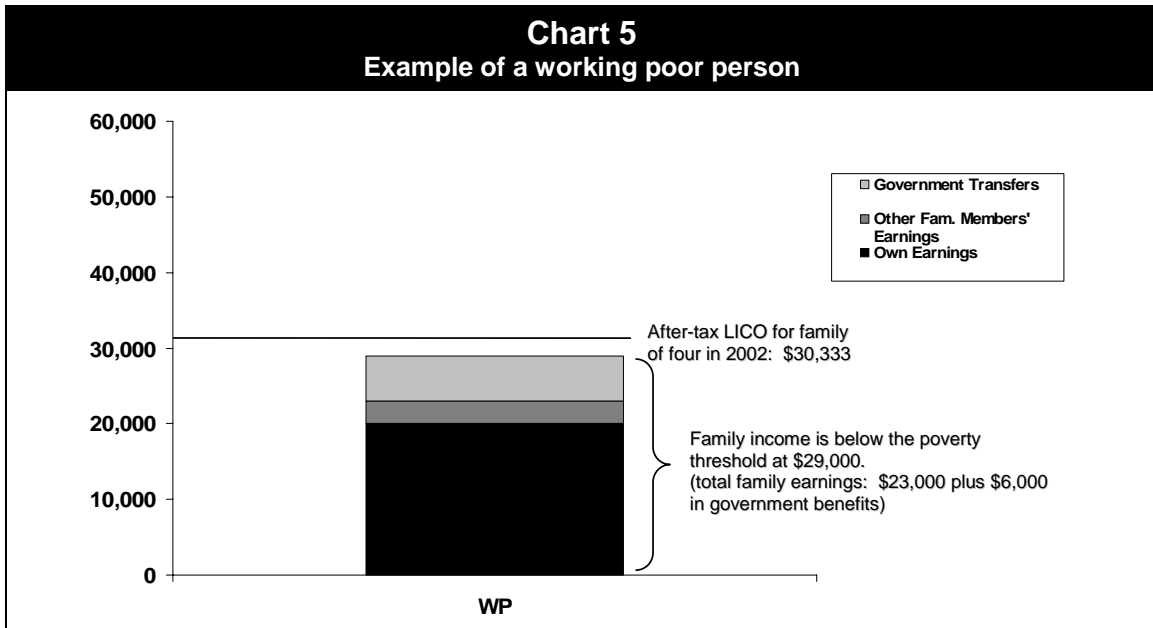
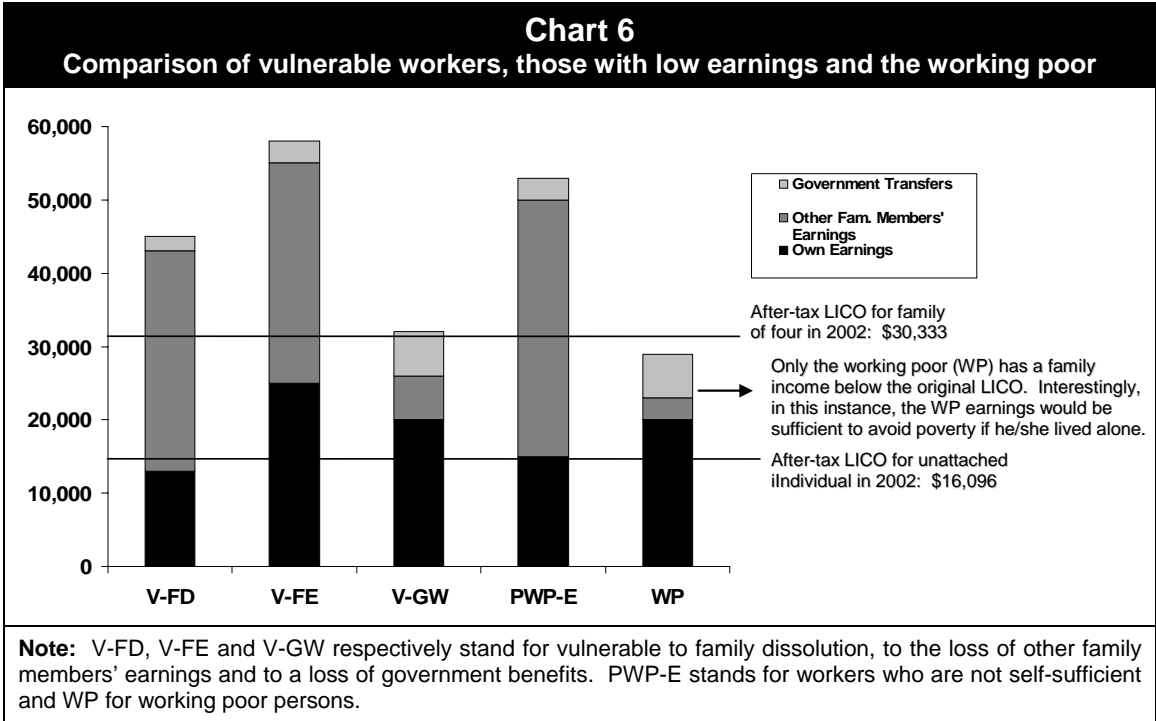


Chart 6 compares the various cases presented in this section. The chart highlights that apart from the working poor, all workers discussed here have an original family income that is higher than the relevant after-tax LICO. In other words, these workers are NOT actually poor. Only a bad turn of events will throw them into poverty. This is in sharp contrast with the working poor, who actually have a low family income.

Chart 6 also emphasizes that there is a fair deal of overlap between the various groups of vulnerable workers. For instance, in this example, the worker who is vulnerable to family dissolution is also vulnerable to a loss of other family breadwinners' earnings and is not self-sufficient. This issue is discussed in more details in the following section. Finally, the chart illustrates that low earnings are not necessarily the main cause of poverty for workers. In the case presented above, the working poor has earnings high enough to cover his/her personal needs. However, because the family income is not sufficient to cover family needs than the worker and his/her family are poor.





### ***III. 2002 profiles of vulnerable workers, the working poor and workers who are not self-sufficient***

This section presents a descriptive profile of vulnerable workers, working poor persons and workers who are not self-sufficient (thereafter called workers with low earnings) for year 2002. The figures presented here come from Tables 1 to 5.

#### ***1. Number of Individuals***

*In 2002, over three million workers who had a strong attachment to the labour market were vulnerable to poverty. Among Canadian workers who accumulated at least 910 hours of paid work and were not poor, over three million would have been poor had other breadwinners in their family been unable to earn income; 736,000 would have been poor had they separated or divorced; and 300,000 would have been poor had they received only 50% of their government benefits.*

*Furthermore, many workers were not self-sufficient or had a low family income. In 2002, about 1.1 million workers had low earnings and 622,000 workers were poor (those are the so-called 'working poor').*

In 2002, many workers who had a strong attachment to the labour market were vulnerable to a loss of family or government financial support, had low earnings or a low family income.

- Over 736,000 workers who were not poor would have been so had they relied only on their own income to meet their personal needs. Including dependents, close to 2.4 million Canadians (of which about 20% were children under 18) lived in a family including at least one such individual.
- Over 3 million workers who were not poor would have been so had they lost access to the after-tax earnings of other family earners to support their family. Including dependents, over 8 million Canadians (of which around 29% were children under 18) lived in a family including at least one such individual.
- Close to 300,000 workers who were not poor would have been poor had they received only 50% of their government benefits. Including dependants, over 800,000 Canadians (of which close to 40% were children under 18) lived in a family including at least one such individual.
- Close to 1.1 million workers who were not poor would have been so had they relied only on their own earnings to meet their personal needs. Including dependants, close to 3.3 million persons (of which close to 35% were children under 18) lived in a family including at least one such individual.

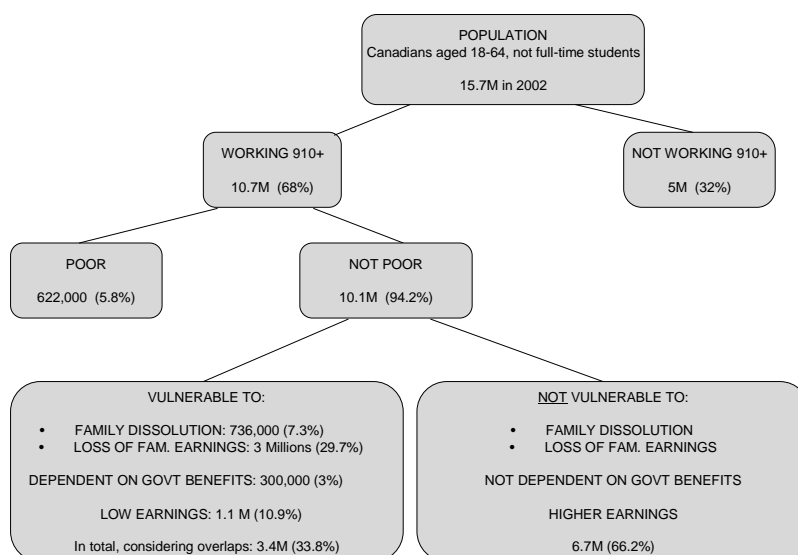
- Finally, close to 622,000 Canadians were working poor. Including dependants, a bit less than 1.5 million persons lived in a working poor family, of which close to 35% were children under 18.

Note that there is some overlap between the various groups. In 2002:

- Close to 629, 200 workers were both vulnerable to family dissolution and to a loss of earnings of other family members;
- Approximately 69,000 workers were both vulnerable to family dissolution and highly dependent on government benefits;
- Around 699,300 workers were vulnerable to family dissolution and had low earnings;
- Almost 112,000 workers were both vulnerable to a loss of earnings of other family members and highly dependent on government benefits;
- About 770,200 workers were vulnerable to a loss of earnings of other family members and had low earnings;
- Finally, 152,700 workers were highly dependent on government benefits and had low earnings.

Considering this overlap, in 2002, around 3.4 million Canadian workers (almost a third of all workers who accumulated at least 910 hours of paid work) were either vulnerable to family dissolution or to a loss of other family breadwinners' earnings, were highly dependent on government benefits or had low earnings. This shows that vulnerability to low income among workers is not a marginal phenomenon. Chart 7 illustrates a subdivision of workers according to their type of vulnerability.

**Chart 7**  
**Subdivision of workers according to their income/vulnerability status in 2002**



## 2. Level of Work

Workers vulnerable to low income, those with low earnings and the working poor all demonstrated high work effort in 2002. However, *workers with low earnings and those vulnerable to family dissolution worked, on average, less than the other groups and were more likely to be self-employed.*

Looking at the type and level of work of the five groups for 2002 we find that:

- Those vulnerable to family dissolution (V-FD) – i.e. those who would have been poor had they relied solely on their own income to meet their personal needs, accumulated, on average, 1,770 hours of work. Dividing the group into self-employed and salaried workers shows important differences. The self-employed (accounting for 36% of this group) worked a lot more than their salaried counterparts (2,100 hours compared to about 1,600 hours).
- Those vulnerable to the loss of other family breadwinners' earnings (V-FE) - i.e. those who would have been poor had they lost access to the after-tax earnings of other family breadwinners, accumulated, on average, 1,920 hours. The self-employed accounted for about 20% of this group (they worked on average 2,300 hours compared to a bit over 1,800 hours for the salaried).
- Those highly dependent on government support (V-GW)- i.e. those who would have been poor had they experienced a 50% drop in government transfers, accumulated, on average, close to 1,900 hours (over 2,200 hours for the self-employed and 1,700 hours for the salaried). Self-employed workers accounted for 23% of this group.

- Those with low earnings worked, on average, 1,770 hours (2,100 hours for the self-employed and 1,600 hours for the salaried). The self-employed accounted for close to a third of this group.
- Finally, the working poor worked, on average, 2,000 hours. Among the working poor, the self-employed, who accounted for close to 41% of this group, worked on average 2,400 hours while the salaried worked on average 1,730 hours.

Those numbers show that in 2002: 1) the five groups worked, at least, the equivalent of full-time, full-year, although workers with low earnings and those who were vulnerable to family dissolution worked on average less than the other three groups (the equivalent of four full-time weeks of work); 2) self-employment was more common among the working poor, workers vulnerable to family dissolution and those with low earnings; and 3) across all groups, the self-employed worked a lot more than the salaried.

### **3. Personal, Labour Market and Family Characteristics<sup>16</sup>**

*Workers who greatly depend on the earnings of other family breadwinners to make ends meet seem better positioned than the other groups as they are more likely to work full-time, year-round, but less likely to have a low education, to work for a small business or to be low-paid.*

*In contrast, those vulnerable to family dissolution do not appear as well positioned, as they are more likely than the other groups to work in the sales and services sector and to be low-paid.*

In 2002, women accounted for a high proportion (about 60%) of workers vulnerable to family dissolution, of those vulnerable to the loss of other family breadwinners' earnings and of workers with low personal earnings. In contrast, they accounted for a much lower proportion (around 40%) of workers highly dependent on government transfers and of the working poor.

Young workers (those between the ages of 18 and 24) accounted for a significant proportion (25%) of workers vulnerable to family dissolution, and of those with low personal earnings (19%) but to more modest shares of the other groups (between 10% and 13%).

Living in Quebec was more common among workers highly dependent on government transfers, those with low personal earnings and those vulnerable to the loss of other family breadwinners' earnings than it was among workers vulnerable to family dissolution and the working poor (the proportions living in Quebec were, respectively, 27%, 23%, 22%, 16% and 14%).

The highest share (28.6%) of drop-outs could be found among workers highly dependent on government transfers, while the lowest share (14.5%) could be found among workers vulnerable to the loss of other family members' earnings (this proportion was around 19% for the other three groups).

<sup>16</sup> All statistics contrasted in this section are statistically different at confidence intervals of 95%, unless otherwise mentioned.

By construction, both workers vulnerable to family dissolution or to the loss of other family members' earnings cannot be unattached, so it is irrelevant to comment on this statistic for these groups. Similarly, by construction, workers vulnerable to the loss of other family members' earnings are more likely to live in two-earner families than other workers (e.g. in 2002, it was the case for 41% of them). Still, it is interesting to look at that statistic for the other groups. The data show that in 2002, only 14% of the working poor were part of a two-earner family while it was the case for 25% to 28% of vulnerable workers and of those with low earnings.

Interestingly, two-thirds of workers vulnerable to the loss of other family breadwinners' earnings worked the equivalent of full-time, full-year (FTFY) in 2002, while this was the case for about 50% of workers highly dependent on government transfers and of the working poor, and for only 43% of workers with low personal earnings and those vulnerable to family dissolution. Also of interest is the fact that over 70% of workers in all groups held only one job during the reference year.

By definition, workers highly dependent on government transfers received government benefits in 2002. In fact, that year, around 39 % of them received some Employment Insurance (EI) benefits and 11.3% received some Social Assistance (SA) benefits. In comparison, only 12.5% of workers vulnerable to family dissolution received some EI and not even 1% of those vulnerable to the loss of other family breadwinners' earnings received some SA.

High proportions of all groups of workers were employed in sales and services in 2002, but those vulnerable to family dissolution and those with low earnings were especially likely to work in that sector (48% and 41% respectively).

Furthermore, except for workers vulnerable to the loss of other family breadwinners' earnings, other types of workers worked mainly in small businesses (over 70% in each group, compared to only 46% in the former).

Finally, about two-thirds of salaried workers vulnerable to family dissolution were low-paid in 2002 (i.e. earned less than \$10 per hour<sup>17</sup>). This was also the case for 58% of those with low earnings, 54% of salaried working poor persons and close to 50% of those highly dependent on government benefits, but for less than 30% of those vulnerable to the loss of other family breadwinners' earnings.

Table 6 summarizes the main characteristics of the various groups of workers. It shows that should they become poor, workers vulnerable to the loss of family members' earnings would be in a better position than the other groups to improve their situation, as they are more likely to hold a full-time, full-year job (and, therefore, have stronger connections to the labour market), but less likely to have a low education (and education is key to employability), to work for a small business (which offer fewer opportunities and have higher turnarounds than larger ones) or to be low-paid.

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<sup>17</sup> An hourly wage of \$10 per hour is about two-thirds of Canada's median hourly wage. This follows the OECD definition of low-pay.

In contrast, those vulnerable to family dissolution might have a harder time, as they are more likely than the other groups to work in the sales and services sector (where competition is hard and potential for progression often limited) and to be low-paid.

<b>Table 6</b>								
<b>Summary of the main characteristics of various classes of vulnerable workers</b>								
<b>Type of Worker</b>	<b>Include relatively high (H) or low (L) proportions of:</b>							
	<b>Women</b>	<b>Youth</b>	<b>QC residents</b>	<b>Low Education</b>	<b>FTFY work</b>	<b>Sales</b>	<b>Small business</b>	<b>Low-Paid</b>
V-FD	H	H				H		H
V-FE	H		H	L	H		L	L
V-GW			H	H				
Low earnings	H	H	H			H		

## *IV. Determinants of Potential Poverty for Workers*

*Low-paid workers would be especially exposed to poverty should they experience family dissolution, unemployment or major sickness of other family breadwinners, or a major drop in government benefits.*

*There is a strong gender aspect to economic vulnerability.* In the twenty-first century, although a majority of women are employed and well educated, they are still economically highly dependent on other breadwinners.

Being the *sole earner* in the family and/or *having many dependent children* are the *main determinants of actual* (rather than potential) *poverty for workers*. Low pay and low work effort are significant determinants but are not as important. Gender has no effect.

*Lack of self-sufficiency is particularly frequent* not only among low-paid workers, but also among workers not working full-time, full-year, Atlantic Provinces residents, employees with little work experience, those aged 18 to 24, women, and those who did not graduate high school.

The information presented in the previous section is interesting as it provides a general picture of vulnerable workers. However, in order to understand why some workers are more economically vulnerable than others, it is essential to conduct regression analysis.

We used logistic regression as it allows to contrast two states, in this case being vulnerable versus not vulnerable to certain life-disrupting events, while taking into consideration correlations between characteristics (which is essential as some traits, e.g. age and labour market experience, are strongly linked, and as we wanted to assess the net effect of each attribute on the likelihood of potential poverty).

As we are interested in the potential, **not actual**, poverty of workers, the sample was limited to workers who did not have a low family income in 2002. The dependent variable was modeled as a dummy variable taking one of the following values:

- 1** if a worker became poor under certain circumstances (as described previously), and
- 0** if a worker did not become poor under the same circumstances.

The logistic function is the following:

$$P(Y = 1) = \frac{e^{Xb}}{1 + e^{Xb}}$$

where:

$Y$  is the vector of values associated with the dependent variable,  
 $X$  is the matrix of values associated with the explanatory variables, and  
 $b$  is the vector of coefficients associated with  $X$ .

Optimizing the function using the maximum likelihood method, it was possible to estimate the impact of each of the characteristics examined on the probability of potential poverty for workers. Table 7 in Annex B summarizes the main results of the logistic regressions (see tables 8 to 17 for detailed results). It shows that:

- *Being low-paid is a major determinant of potential poverty for all groups of vulnerable workers.* In other words, should they experience separation or divorce, should major earners in their family become unemployed or sick, or should they experience a significant drop in government benefits, low-paid workers would be especially exposed to poverty. In 2002, being low-paid increased the probability of potential poverty by up to 33 percentage points.
- *There is a strong gender aspect to economic vulnerability.* In 2002, being a woman increased the probability of becoming poor, if the worker lost the support of other breadwinners in his/her family, by about 20 percentage points<sup>18</sup>. This shows that *in the twenty first century, although a majority of women are employed and well educated, they still highly depend on other breadwinners to make ends meet.*
- The likelihood of potential poverty (should the worker divorce or lose the earnings of other family breadwinners) is also especially high among workers who did not work the equivalent of full-time, full-year, the self-employed, Atlantic Provinces residents, those aged 18-24, those working in sales and services and those with little work experience.
- Being an Aboriginal person living off-reserve, having little education or working for a small business were important risk factors only for workers dependent on the earnings of other family breadwinners to survive.
- Contrary to what might have been expected, having work limitations has a rather weak (although statistically significant) impact on all forms of potential poverty. This may have to do with the fact that we are only looking at people who are working at least 910 hours. The main difficulty for the disabled is finding full-time work on a regular basis. For instance, Statistics Canada's analysis of low pay among full-time workers from the 2000 Census shows that the incidence of low-pay among disabled full-time workers was not much higher than the average for all full-time workers<sup>19</sup>.

It is interesting to contrast the main determinants of potential poverty for workers with those that increase the risk of being **actually** poor (see tables 14 and 15 for detailed results). We observe that in 2002, there was no statistical difference in the likelihood of poverty for male and female workers. Furthermore, low pay and low work effort were important determinants of poverty, but never as important as being the sole earner in the family and/or having many dependant children.

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<sup>18</sup> This is consistent with more general findings on low income in Canada. For instance, over 2000 to 2004, low income among women was consistently higher than among men (using Statistics Canada's low-income cut-offs). In 2004, 16.6% of all women were poor compared to 14.4% of men. See 'Persons in low income before tax, by prevalence in percent (2000 to 2004)' at <http://www40.statcan.ca/101/cst01/famil41a.htm>.

<sup>19</sup> See Morissette, R and Picot, G. (2005). "*Low-paid Work and Economically Vulnerable Families over the Last Two Decades.*" Statistics Canada: Analytical Studies Branch Research Paper.

It is also interesting to look at the characteristics of workers who are not self-sufficient (see tables 16 and 17 for detailed results). In 2002, the probability of becoming poor should a worker depend solely on his/her own earnings to survive was especially high, as one would expect, among the low-paid and those who did not accumulate at least 1,500 hours of paid work during the year. It was also relatively high among Atlantic Provinces residents, employees with little work experience, those aged 18 to 24, women, and those who did not graduate high school.

As mentioned at the beginning of this section, what was estimated here is the probability, for workers, of becoming poor *should they experience certain life-disrupting events*. In other words, this vulnerability to poverty is conditional on *actually going through* separation, loss of other family breadwinners' earnings or on receiving lower government benefits.

It is, therefore, essential to assess if vulnerable workers are more likely than other workers to experience those situations because if it is the case, then they are clearly at higher risk than other workers to become poor. However, if it is not the case, then their risk of becoming poor is only marginally higher than that of other workers. The next section tries to shed some light on this issue.



## *V. Occurrence of Major Life-Disruptive Events Among Vulnerable and Non-Vulnerable Workers*

*Workers who are vulnerable to family dissolution are not more likely than other workers to experience separation or divorce. However, among workers who will actually part, the incidence of poverty is much higher for those who are vulnerable to poverty than for those who are not.*

*Workers keeping vulnerable families out of poverty are not more likely than non-vulnerable workers to see their earnings decrease, lose their jobs or to experience a cut in the number of hours that they work. This indicates that the support that they provide to their families is not especially likely to vanish.*

*Vulnerable workers are not more likely than non-vulnerable workers to experience a major drop in government benefits. However, this is mostly thanks to the support that governments provide to the family rather than to the individual.*

*Overall, this analysis clearly shows the importance of the family in preventing workers from falling into poverty, either through family members' earnings or the support that family members get from the government.*

*The first risk* examined is that of separating/divorcing. Because of sample limitations, it was necessary to look at the incidence of separation or divorce over a number of years. We therefore conducted longitudinal and regression analysis to assess if the incidence/risk of separating/divorcing at least once over 2000-2003 was higher among workers vulnerable to family dissolution or to the loss of other family breadwinners' earnings in 1999 than among those who were not.

Table 18 shows that 7.3% of workers who were vulnerable to family dissolution in 1999 and 7.2% of those who were vulnerable to the loss of other family breadwinners' earnings experienced separation or divorce at least once over 2000-2003<sup>20</sup>. This compares to 13% of workers not vulnerable to family dissolution and to 13.8% of those not vulnerable to the loss of other family breadwinners' earnings. This indicates that vulnerable workers are not more likely than non-vulnerable workers to part. In fact, the descriptive statistics would point to the contrary.

However, logistic regressions indicate that being vulnerable to family dissolution in 1999 had no impact whatsoever on the probability of separating/divorcing at least once between 2000 and 2003 for workers (see tables 19 and 20). Consequently, we cannot

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<sup>20</sup> Interestingly, larger proportions of the other groups studied in this paper experienced separation or divorce over 2000-2003. This was the case for 26.9% of workers vulnerable to cuts in government transfers, 19.7% of the working poor and 10.5% of those with especially low earnings.

conclude with certainty that this group is at lower risk of parting than non-vulnerable workers, although they do not appear to be at higher risk either<sup>21</sup>.

Still, we must not forget that albeit vulnerable workers are not more likely than other workers to separate or divorce, the fact remains that in Canada close to 40% of all marriages eventually end up in a divorce<sup>22</sup>. Consequently, there is a strong possibility that workers vulnerable to family dissolution will experience, at least temporarily, poverty over the course of their lives.

In fact, Tables 21 to 24 show that among workers who experience separation or divorce, the incidence of poverty is much higher among those who are economically vulnerable than among those who are not (as one would expect, given how the various categories of “economically vulnerable” are constructed in our analysis). Limiting the sample to workers who experienced separation or divorce at least once over 2000-2003, we find that almost 42% of those who were vulnerable to family dissolution and 26% of those who were dependent on other family breadwinners’ earnings were poor at least once over the same period while this was the case for only about 11% of non-vulnerable workers.

In short, workers who are vulnerable to family dissolution are not more likely (although they are not less likely either) than non-vulnerable workers to experience separation or divorce. However, among workers who will actually part, the incidence of poverty is much higher for those who are economically vulnerable than for those who are not. **This suggests that many vulnerable workers do not have the ability to adapt their behaviours to changing circumstances.**

*The second risk* examined is that of losing the economic support of other family breadwinners (in families where more than one person worked for pay at least 910 hours in the reference year). In order to assess that risk, we checked if the earnings, work effort and schooling progressions of workers<sup>23</sup> keeping vulnerable families out of poverty were similar to those of non-vulnerable workers or if they were more unstable (see Tables 25 to 29).

We discovered that over 2000 to 2003, 43% of workers keeping vulnerable families out of poverty saw their earnings decrease, 23% experienced slight increases (less than 10% increase), 14% felt more moderate gains (10% to 20% increase) while 17% benefited from larger gains (i.e. their earnings increased by over 20%). In comparison, a similar proportion (43%) of non-vulnerable workers saw their earnings decrease, about 18%

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<sup>21</sup> Table 21 presents the methodological details on the regression analysis. Because the SLID is not the ideal database to look at the incidence of separation/divorce, we cannot conclude with certainty that workers vulnerable to family dissolution are as likely (or less likely) to separate/divorce as the other groups.

<sup>22</sup> According to Statistics Canada, the proportion of marriages expected to end in divorce by the 30th wedding anniversary inched up to 38.3% in 2003, from 37.6% in 2002. See the March 9, 2005 edition of the Daily at <http://www.statcan.ca/Daily/English/050309/d050309b.htm> for more details.

<sup>23</sup> We focused on family members who were ‘workers’ in 1999, i.e. were aged 18 to 60, were not full-time students and accumulated at least 910 hours of paid work.

experienced slight increases, 13% felt more moderate gains but larger proportions (between 22% and 23%) benefited from more substantial gains<sup>24</sup>.

Over 1999-2003, workers keeping vulnerable families out of poverty accumulated, on average, 10,500 hours of paid work and 6.3% increased their education level. However, 4.3% were unemployed at least one year and 9.3% accumulated less than 910 hours of paid work at least once. In comparison, non-vulnerable workers accumulated, on average, around 9,800 hours of paid work, between 6.1% and 6.7% increased their education level, between 7% and 8% were unemployed at least once and between 14% and 16% accumulated less than 910 hours of paid work at least once.

Overall, these numbers show that workers keeping vulnerable families out of poverty are not more likely than non-vulnerable workers to see their earnings decrease, to lose their jobs or to experience a cut in the number of hours that they work. This indicates that the support that they provide to their families is not especially likely to vanish.

*The third and final risk* that we studied is that of experiencing a major drop in government benefits. Looking at the actual progression, over 1994 to 2003, of government benefits received by vulnerable and non-vulnerable workers we observe that all of them (and their families) experienced declines over the ten-year period (see Tables 30 and 31 and Graphs 1 to 4).

Benefits received by vulnerable workers<sup>25</sup> at the *family level* decreased by \$236<sup>26</sup> while those received by non-vulnerable workers decreased by \$577 (or twice as much). This pattern was reversed for benefits received at the *individual level* where vulnerable workers experienced much larger cuts than non-vulnerable workers (\$911 vs. \$254). This indicates that if vulnerable workers are not more likely than non-vulnerable workers to experience an important drop in government benefits, it is mostly thanks to the support that governments provide to the family rather than to the individual. It is also interesting to note that although all workers saw their benefits reduced over this period, the drop was not too drastic (i.e. nowhere near a 50% drop at the family level).

Overall, this analysis clearly shows the importance of the family in preventing workers from living in poverty, either through family members' earnings or the benefits that family members get from the government.

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<sup>24</sup> We also found that in 1999, none of the workers keeping vulnerable families out of poverty had no or negative earnings, while in 2003, 2.8% of them did. In comparison, between 0% and 1% of non-vulnerable workers had no or negative earnings in 1999, while in 2003, between 4% and 5% of them did.

<sup>25</sup> Benefits received at the family level means the total of benefits received by all members of an economic family. Benefits received at the individual level means the benefits that the individual received. For instance, a worker could have received \$5,000 in Employment Insurance benefits in a given year and his spouse \$3,000, so individual benefits would amount to \$5,000 but family benefits would amount to \$8,000.

<sup>26</sup> All figures are in 2003 dollars.



## *VI. What Happens to Vulnerable Workers, the Working Poor and Workers with Low Earnings Over the Longer Term*

*Actually being poor has long-term consequences that 'simply' being vulnerable to poverty does not.*

The final section of this paper looks at the progression, in terms of income, earnings, level of work and education of vulnerable workers, the working poor and workers with low earnings over 1999 to 2003.

First, looking at the long-term income situation of the five groups of workers (see Table 32) we find that workers who were vulnerable to the loss of other family breadwinners' earnings in 1999 were the least likely to experience poverty at least once over 2000-2003 (it was the case for 9.4% of them, compared to 13% of workers vulnerable to family dissolution, 16% of those with low earnings, 44% of those highly dependent on government benefits and 62% of the working poor). They were also the ones (along with workers vulnerable to family dissolution) to spend the least time in poverty over the same period (two and a half months compared to three and a half months for workers with low earnings, 10 months for those highly dependent on government benefits and two and a half **years** for the working poor). It is also interesting to note that over 1999 to 2003, not even 3% of workers who had low earnings experienced persistent poverty<sup>27</sup>, while it was the case for almost 30% of the working poor<sup>28</sup>.

Looking at the work effort of the five groups (see Table 33), we observe that those who were working poor in 1999 accumulated, by far, the highest number of hours of paid work over 1999 to 2003. They were also the most likely to work the equivalent of full-time, full-year at least once over the same period. On the other hand, workers who were vulnerable to the loss of other family breadwinners' earnings in 1999 were the least likely to be unemployed or to accumulate less than 910 hours of paid work at least once over 2000 to 2003.

Investigating the earnings progression of all groups (see Tables 34 and 35), we find that both in 1999 and in 2003, workers who were vulnerable to the loss of other family breadwinners' earnings were the least likely to have no or negative earnings. However, the working poor were the most likely to experience significant increases in earnings (and the least likely to experience declines). Interestingly, workers highly dependent on government transfers were the most likely to see their earnings decrease over the same period (it was the case for 34% of them, compared to between 20% and 27% of the other groups).

<sup>27</sup> A worker experiences persistent poverty if his/her accumulated family income over 1999 to 2003 is lower than the sum of the relevant post-tax LICOs over the same period.

<sup>28</sup> We cannot comment on this statistic for the three groups of vulnerable workers as there are not enough un-weighted observations to allow the analysis.

Finally, studying the progression of the five groups education-wise (see Table 36) we observe that the working poor were the most likely to improve their instruction over 2000-2003 (close to 12% did). This compares to 9% of those vulnerable to family dissolution or to the loss of other family members' earnings and to 7.7% of workers who had low earnings in 1999.

Taken together these findings indicate that the working poor are a lot more likely than those who are vulnerable to poverty to experience low income for longer periods of time, although they accumulate more hours of paid work, experience a better progression in earnings and are more likely to improve their education over a 5-year period. Consequently, actually being poor has long-term consequences that 'simply' being vulnerable to poverty does not.

Among vulnerable workers, those who depend on the earnings of other family breadwinners to survive seem the best positioned. However, we saw previously that there is a strong gender dimension to this type of vulnerability. Consequently, it is interesting to check if this is true for all vulnerable workers or if men have an advantage over women.

## **1. Labour Market Progression of Vulnerable Male vs. Female Workers**

*Not only are women more likely than men to rely on others to make ends meet in the short term, but this situation seems to remain over the longer term.*

According to Table 37, there are significant differences in the long-term labour market patterns of male and female workers who strongly depend on the earnings of other family breadwinners to get by.

Men are much more likely than women to increase their education level (from 2000 to 2003, it was the case for 11.4% of them but for only 7.6% of women); to accumulate more hours of paid work (10,600 hours compared to 8,100 hours for women); to work full-time, full-year at least once (96% compared to 83% of women) and to experience a better progression in earnings (e.g. between 2000 and 2003, over 54% of them saw their earnings increase by over 20% compared to 41% of women).

They are also a lot less likely than women to be unemployed at least once (over 2000 to 2003 this was the case for 5.6% of them, compared to 12.4% of women) or to accumulate less than 910 hours of paid work at least once (over 2000 to 2003, 17% of men did compared to 27% of women). Finally, although a larger proportion of men had no or negative earnings in 1999, by 2003 these figures had reversed (both in 1999 and in 2003, about 6% of men were in this situation compared to 2.3% of women in 1999, but to 9% of them in 2003).

In short, men who depend on the earnings of other family breadwinners to survive in the short term are less likely than women who are in the same circumstances to depend on others over the longer term, as they experience a much stronger progression in hours of paid work, earnings and schooling.

Taken as a whole, the logistic regression and longitudinal analyses indicate that not only are women more likely than men to rely on others to make ends meet in the short term, but also that this situation seems to remain over the longer term.



## VII. Conclusions

Over 2003 to 2006, Fleury and Fortin conducted extensive research on working poverty in Canada. One of their main findings was that family circumstances, more than low-pay, explain poverty among workers. During the same period, the Canadian Policy Research Networks (CPRN) commissioned a number of researchers to look into the economic vulnerability of workers, mostly from a labour market perspective. Although the CPRN noted the importance of the family and the government in supporting workers, the CPRN analysis of these issues is largely qualitative in nature.

The objective of this study is, therefore, to quantify the degree to which family and government financial support prevent Canadian workers from living in low income. Data from Statistics Canada's Survey of Labour and Income Dynamics for years 1999 to 2003 were used to conduct the research. The main findings of the research are the following.

- In 2002, many Canadians who had a strong attachment to the labour market were vulnerable to poverty, not self-sufficient or actually poor.
  - Among workers who accumulated at least 910 hours of paid work in the reference year and who were **not** poor, 3.4 million would have been poor had they separated or divorced, had other breadwinners in their family ceased to earn income, had they received 50% of their government benefits or had they relied solely on their earnings to meet their personal needs.
  - In addition, about 622,000 Canadians were working poor.
- The main *personal* characteristics that increase the vulnerability of workers to low income are: to be a woman, to live in the Atlantic Provinces, to be young and not to have completed high-school. The main *labour market* characteristics are: to be low-paid, to be self-employed, to work less than full-time, full-year and to have little work experience. In comparison, the main determinants of poverty for workers are to be the sole earner in the family and/or to have many dependent children.
- A study of these populations over a five-year period also shows that :
  - Although vulnerable workers could potentially become poor if they lost the financial support of their family or that of the government, over a 5-year period they are not more likely than other workers to experience separation or divorce, to lose access to the after-tax earnings of other family breadwinners or to experience a drastic drop in government benefits.
  - Actually being poor has long-term consequences that 'simply' being vulnerable to poverty does not.
  - Women are more likely than men to rely on others to make ends meet not only in the short term, but also over a longer time period.

Those findings highlight many important issues. First, the research clearly shows that although self-sufficiency may be desirable for all Canadian workers, it is not necessarily enough to avoid poverty for themselves and their families. In many instances, the financial support of other family breadwinners is essential to make ends meet. In 2002, 1.1 million Canadian workers who accumulated at least 910 hours of paid work were not self-sufficient, i.e. they would have been poor had they relied solely on their own earnings to make ends meet. However twice as many workers (2.2 million) *who were self sufficient* depended on the financial support of other family members to avoid poverty. Consequently, not only *policies* encouraging labour force attachment but also those *alleviating pressures on families* (such as work-life balance policies) *could be helpful in limiting the vulnerability of workers to low income.*

The importance of the family in preventing workers from low income raises another important issue: unattached individuals are clearly at a disadvantage compared to other Canadians, as they cannot depend on the financial support of other family members to make ends meet (statistics on low income highlight this situation, in particular for unattached persons aged 45 to 64, who are at higher risk of experiencing persistent poverty). Therefore, it might also be appropriate to consider the specific needs of this group.

The research shows that *low-paid workers, women and the self-employed are the most vulnerable to poverty.* The high occurrence of low pay among vulnerable workers indicates that policies that would ‘make work pay’ could be quite useful in decreasing the economic vulnerability of workers. It also raises important questions such as: Do all workers enjoy the real value of their work? Does low-pay discourage workers from increasing their productivity? How could we ensure that companies reward adequately their workforce without compromising their competitiveness?

The over-representation of women among vulnerable workers highlights that even today, where they are highly educated and have strong links with the labour market, many women still greatly rely on another breadwinner to make ends meet. With a divorce rate nearing 40% in Canada, it is obvious that women who depend on their husbands to get by are at much higher risk of experiencing poverty than those who do not. Depending on another breadwinner to make ends meet can also have consequences in the longer run, as it means having a lower personal retirement income. This indicates that policies that would encourage women to keep a foothold in the labour market (or strengthen their position if they are already working) could be really useful in limiting the potential for short and longer term vulnerability of this group. Similarly, policies that support a more equitable distribution of labour market and household responsibilities between spouses might also serve to reduce the risks faced by women.

It should be noted, though, that this paper looked at the labour market outcomes of women as if they made a homogeneous group. There might, however, be differences within this group depending on the age cohort and occupational group. For instance, do younger cohorts of women have behaviours that differ from those of older cohorts, given their higher education level? Do women in ‘traditional’ occupations have the same labour market outcomes as women working in other types of jobs?

Vulnerability is also a function of the quality of employment. This research has demonstrated that the self-employed, those that do not work full-time, full-year and youth in low-skilled, low-wage jobs are at particular risk of poverty. The situation of Canadians in these positions should also draw policy attention to ensuring the economic security of these groups.

These are, among others, important policy questions related to vulnerable workers. However, one of the most important findings of this research is that the working poor face more persistent and more difficult economic conditions than workers that are ‘simply’ vulnerable to low income. That said measures that would address the situation of the working poor could serve to alleviate poverty for this group and reduce the risk of poverty for the potential working poor as well.



# *Annex A – Methodological Details*

## **A.1 Statistics Canada’s Survey of Labour and Income Dynamics (SLID)**

This analysis is based on Statistics Canada’s Survey of Labour and Income Dynamics (SLID). The main objectives of the SLID are to provide a better understanding of the changes that affect the economic well-being of Canadians over time and to identify the characteristics that have an impact on those changes. All persons selected in the first year of the Survey are part of what is called a panel. Each panel member is surveyed one or two times a year for a total of six consecutive years. They answer questions related to their labour market participation, income and family situation. Information on persons living with original respondents is also collected each year in order to provide cross-sectional data that are nationally representative in every given year.

A first panel of about 15,000 households or 30,000 individuals started in 1993. Since then, a new panel has been introduced every three years. When this study started, the first two panels were completed and the third panel (1999-2004) was almost (but not totally) complete.

The 2002 data were used to do the cross-sectional analysis, and the 1999-2003 panels to conduct the longitudinal analysis. Year 2002 includes data from two overlapping panels (for a total of about 74,500 observations) while the 1999-2003 data are made of only one panel (a total of about 30,000 observations).

When doing analysis with the SLID, it is possible to get samples that are representative of the whole Canadian population with the use of weights.<sup>29</sup> For cross-sectional analysis, the weighted sample is representative of the Canadian population in 2002 while for longitudinal analysis it is representative of the Canadian population in the first year of the panel, i.e. 1999. Table A.1.1 provides information on the number of observations before and after the sample selection criteria were imposed.

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<sup>29</sup> Excluding all residents of the Yukon, the Northwest Territories and Nunavut, residents of institutions and persons living on Indian reserves since they are not part of the SLID target population.

<b>Table A.1.1</b>		
<b>Number of observations before and after the sample selection criteria were imposed, 2002</b>		
	<b>Weighted</b>	<b>Unweighted</b>
All Canadians.	30,610,947	74,479
Canadians aged 18 to 64.	20,003,515	46,978
Canadians aged 18 to 64 who are not full time students*.	15,696,234	37,810
Canadians aged 18 to 64 who are not full time students* and who accumulated at least 910 hours of paid work.	10,734,849	26,767
Canadians aged 18 to 64 who are not full time students*, who accumulated at least 910 hours of paid work, and who did not have a low family income.	10,113,011	25,427
* Only those whose student status was known in the reference year were kept in the sample.		

## **A.2 Definitions of Vulnerable Workers, the Working Poor and Workers with Very Low Earnings**

As mentioned at the beginning of this paper, *workers are those individuals aged 18 to 64, who are not full-time students and who accumulated at least 910 hours of paid work in the reference year.*

Using this definition, the five categories of workers that were studied in this paper are the following:

1. *Workers vulnerable to separation or divorce* are those workers who are not actually poor but whose own income would be under half the original relevant MBM threshold if they became unattached.
2. *Workers vulnerable to a loss of family breadwinners' earnings* are those workers who are not actually poor but whose family income would fall under the relevant MBM threshold if they lost access to the earnings of other family breadwinners to support their families.
3. *Workers dependent on government transfers* are those workers who are not actually poor but whose family income would fall under the relevant MBM threshold if they lost 50% of total government benefits to support their families.
4. *Workers with low earnings* are those workers who are not actually poor but whose own earnings would be under half the relevant original MBM threshold if they became unattached.
5. *The Working Poor* are those workers whose family income is under the relevant MBM threshold.

## *Annex B – Tables and Graphs*

<b>Table 1</b>		
<b>Number and proportion of workers who would have been poor had they solely relied on their income to meet their personal needs (V-FD), according to the MBM (2002)</b>		
	<b>V-FD in 2002</b>	
<b>All individuals</b>	736,215	100%
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male	281,111	38.2%
Female	455,104	61.8%
<b>Age</b>		
18-24	185,037	25.1%
25-34	136,658	18.6%
35-44	157,145	21.3%
45-54	170,368	23.1%
55-64	87,006	11.8%
<b>Province</b>		
Atlantic Provinces (Nfld, PEI, NB or NS)	84,065	11.4%
Quebec	120,229	16.3%
Ontario	300,543	40.8%
Manitoba or Saskatchewan or Alberta	137,410	18.7%
BC	93,968	12.8%
<b>Marital Status</b>		
Single (was never married)	223,596	30.4%
In a union (married or not)	488,875	66.4%
Separated, divorced or a widow	23,744	3.2%
<b>Immigrant or Aboriginal living off-reserve</b>		
Yes	69,827	9.5%
No	624,354	84.8%
<b>Work Limitations</b>		
Yes	87,536	11.9%
No	648,679	88.1%
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a high school diploma	135,605	18.4%
HSD	239,383	32.5%
More than a HSD	236,450	32.1%
University	68,949	9.4%
<b>Part-time Student</b>		
Yes	87,542	11.9%
No	648,673	88.1%
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	NA	NA
Couple without children, one earner	18,937	2.6%
Couple without children, two earners or more	315,562	42.9%
Couple with one or two children, one earner	10,609	1.4%
Couple with one or two children, two earners or more	207,634	28.2%
Couple with three children or more, one earner	4,218	0.6%
Couple with three children or more, two earners or more	41,072	5.6%
Lone Parent family	14,436	2%
Other family type	123,746	16.8%

<b>Table 1 (end)</b>		
<b>Number and proportion of workers who would have been poor had they solely relied on their income to meet their personal needs (V-FD), according to the MBM (2002)</b>		
	<b>V-FD in 2002</b>	
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,500 hours	313,712	42.6%
1,501-2,499 hours	315,685	42.9%
2,500 hours or more	106,817	14.5%
<b>Labour Market Experience</b>		
Less than 3 years	190,149	25.8%
3 years or more	393,006	53.4%
<b>Worked full-time in main job</b>		
Yes	510,135	69.3%
No	180,042	24.5%
<b>Accumulated more than one job during the year</b>		
Yes	204,547	27.8%
No	531,668	72.2%
<b>5. Access to Government Transfers</b>		
<b>Received some Government Transfers</b>	469,166	63.7%
<b>Received some Employment Insurance Benefits</b>	92,109	12.5%
<b>Received some Social Assistance Benefits</b>	15,572	2.1%
<b>6. Characteristics of Main Job</b>		
<b>Self-employed during the year</b>		
Yes	265,128	36%
No	471,087	64%
<b>Type of Occupation</b>		
Finance and Business	120,816	16.4%
Arts, sciences & health	72,566	9.9%
Sales and services	353,662	48%
Other occupation	179,045	24.3%
<b>Size of Business</b>		
Small (<20 employees)	487,832	66.3%
Medium (20-99 employees)	144,654	19.7%
Large (100+ employees)	69,189	9.4%
<b>Low-Paid (salaried only)</b>	304,794	65.5%

<b>Table 2</b>		
<b>Number and proportion of individuals who would have been poor had they lost access to other family members' after-tax earnings (or V-FE) (MBM, 2002)</b>		
	<b>V-FE in 2002</b>	
<b>All individuals</b>	3,015,759	100%
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male	1,150,612	38.2%
Female	1,865,147	61.9%
<b>Age</b>		
18-24	380,707	12.6%
25-34	699,619	23.2%
35-44	954,385	31.7%
45-54	777,664	25.8%
55-64	203,385	6.7%
<b>Province</b>		
Atlantic Provinces (Nfld, PEI, NB or NS)	277,039	9.2%
Quebec	658,847	21.9%
Ontario	1,123,287	37.3%
Manitoba or Saskatchewan or Alberta	561,800	18.6%
BC	394,787	13.1%
<b>Marital Status</b>		
Single (was never married)	500,368	16.6%
In a union (married or not)	2,423,127	80.4%
Separated, divorced or a widow	92,265	3.1%
<b>Immigrant or Aboriginal living off-reserve</b>		
Yes	286,076	9.5%
No	2,591,240	85.9%
<b>Work Limitations</b>		
Yes	276,635	9.2%
No	2,739,125	90.8%
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a high school diploma	436,768	14.5%
HSD	876,111	29.1%
More than a HSD	1,100,093	36.8%
University	405,408	13.4%
<b>Part-time Student</b>		
Yes	193,510	6.4%
No	2,822,249	93.6%
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	NA	NA
Couple without children, one earner	12,950	0.4%
Couple without children, two earners or more	1,111,448	36.9%
Couple with one or two children, one earner	12,156	0.4%
Couple with one or two children, two earners or more	1,223,184	40.6%
Couple with three children or more, one earner	4,088	0.1%
Couple with three children or more, two earners or more	380,867	12.6%
Lone Parent family	34,980	1.2%
Other family type	236,085	7.8%

<b>Table 2 (end)</b>		
<b>Number and proportion of individuals who would have been poor had they lost access to other family members' after-tax earnings (or V-FE) (MBM, 2002)</b>		
	<b>V-FE in 2002</b>	
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,500 hours	689,068	22.9%
1,501-2,499 hours	1,987,387	65.9%
2,500 hours or more	339,305	11.3%
<b>Labour Market Experience</b>		
Less than 3 years	401,296	13.3%
3 years or more	2,119,345	70.3%
<b>Worked full-time in main job</b>		
Yes	2,504,766	83.1%
No	409,134	13.6%
<b>Accumulated more than one job during the year</b>		
Yes	646,107	21.4%
No	2,369,653	78.6%
<b>5. Access to Government Transfers</b>		
<b>Received some Government Transfers</b>	1,821,643	60.4%
<b>Received some Employment Insurance Benefits</b>	547,577	18.2%
<b>Received some Social Assistance Benefits</b>	25,933	0.9%
<b>6. Characteristics of Main Job</b>		
<b>Self-employed during the year</b>		
Yes	597,586	19.8%
No	2,418,173	80.2%
<b>Type of Occupation</b>		
Finance and Business	827,543	27.4%
Arts, sciences & health	472,863	15.7%
Sales and services	918,268	30.5%
Other occupation	758,376	25.2%
<b>Size of Business</b>		
Small (<20 employees)	1,393,908	46.2%
Medium (20-99 employees)	839,324	27.8%
Large (100+ employees)	680,259	22.6%
<b>Low-Paid (salaried only)</b>	676,631	28.1%

<b>Table 3</b>		
<b>Number and proportion of individuals who would have been poor had they experienced dramatic cuts in government support (or V-GW) (MBM, 2002)</b>		
	<b>V-GW in 2002</b>	
<b>All individuals</b>	299,193	100%
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male	166,697	55.7%
Female	132,496	44.3%
<b>Age</b>		
18-24	29,519	9.9%
25-34	83,335	27.9%
35-44	104,645	35.0%
45-54	50,609	16.9%
55-64	31,085	10.4%
<b>Province</b>		
Atlantic Provinces (Nfld, PEI, NB or NS)	42,556	14.2%
Quebec	80,767	27.0%
Ontario	98,075	32.8%
Manitoba or Saskatchewan or Alberta	50,550	16.9%
BC	27,246	9.1%
<b>Marital Status</b>		
Single (was never married)	68,203	22.8%
In a union (married or not)	175,575	58.7%
Separated, divorced or a widow	55,416	18.5%
<b>Immigrant or Aboriginal living off-reserve</b>		
Yes	44,635	14.9%
No	240,748	80.5%
<b>Work Limitations</b>		
Yes	45,386	15.2%
No	253,807	84.8%
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a high school diploma	85,429	28.6%
HSD	72,667	24.3%
More than a HSD	86,403	28.9%
University	31,258	10.5%
<b>Part-time Student</b>		
Yes	9,278	3.1%
No	289,914	96.9%
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	32,691	10.9%
Couple without children, one earner	11,041	3.7%
Couple without children, two earners or more	18,828	6.3%
Couple with one or two children, one earner	24,157	8.1%
Couple with one or two children, two earners or more	73,622	24.6%
Couple with three children or more, one earner	10,976	3.7%
Couple with three children or more, two earners or more	34,217	11.4%
Lone Parent family	49,195	16.4%
Other family type	44,466	14.9%

<b>Table 3 (end)</b>		
<b>Number and proportion of individuals who would have been poor had they experienced dramatic cuts in government support (or V-GW) (MBM, 2002)</b>		
	<b>V-GW in 2002</b>	
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,500 hours	90,188	30.1%
1,501-2,499 hours	162,218	54.2%
2,500 hours or more	46,858	15.7%
<b>Labour Market Experience</b>		
Less than 3 years	37,999	12.7%
3 years or more	199,592	66.7%
<b>Worked full-time in main job</b>		
Yes	253,564	84.8%
No	29,471	9.9%
<b>Accumulated more than one job during the year</b>		
Yes	85,231	28.5%
No	213,962	71.5%
<b>5. Access to Government Transfers</b>		
<b>Individual received some Government Transfers*</b>	277,705	92.8%
<b>Individual received some Employment Insurance Benefits</b>	115,687	38.7%
<b>Individual received some Social Assistance Benefits</b>	33,702	11.3%
<b>6. Characteristics of Main Job</b>		
<b>Self-employed during the year</b>		
Yes	69,310	23.2%
No	229,883	76.8%
<b>Type of Occupation</b>		
Finance and Business	52,512	17.6%
Arts, sciences & health	30,675	10.3%
Sales and services	92,844	31%
Other occupation	118,821	39.7%
<b>Size of Business</b>		
Small (<20 employees)	180,929	60.5%
Medium (20-99 employees)	59,220	19.8%
Large (100+ employees)	47,068	15.7%
<b>Low-Paid (salaried only)</b>	108,246	47.6%
* Note that not all PWP-GT individuals received government benefits although all PWP-GT economic families did.		

<b>Table 4</b>		
<b>Number and proportion of individuals who would have been poor had they relied only on their own earnings to meet their needs (MBM, 2002)</b>		
	<b>Low earnings in 2002</b>	
<b>All individuals</b>	1,076,387	100%
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male	427,824	39.8%
Female	648,563	60.3%
<b>Age</b>		
18-24	201,328	18.7%
25-34	210,546	19.6%
35-44	269,650	25.1%
45-54	232,745	21.6%
55-64	162,118	15.1%
<b>Province</b>		
Atlantic Provinces (Nfld, PEI, NB or NS)	133,760	12.4%
Quebec	244,943	22.8%
Ontario	392,152	36.4%
Manitoba or Saskatchewan or Alberta	182,141	16.9%
BC	123,392	11.5%
<b>Marital Status</b>		
Single (was never married)	291,391	27.1%
In a union (married or not)	710,110	66%
Separated, divorced or a widow	74,886	7%
<b>Immigrant or Aboriginal living off-reserve</b>		
Yes	98,525	9.2%
No	913,481	84.9%
<b>Work Limitations</b>		
Yes	136,531	12.7%
No	939,855	87.3%
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a high school diploma	212,428	19.7%
HSD	316,298	29.4%
More than a HSD	349,122	32.4%
University	112,079	10.4%
<b>Part-time Student</b>		
Yes	102,108	9.5%
No	974,279	90.5%
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	49,647	4.6%
Couple without children, one earner	41,283	3.8%
Couple without children, two earners or more	394,454	36.7%
Couple with one or two children, one earner	15,783	1.5%
Couple with one or two children, two earners or more	297,261	27.6%
Couple with three children or more, one earner	6,924	0.6%
Couple with three children or more, two earners or more	71,809	6.7%
Lone Parent family	39,711	3.7%
Other family type	159,514	14.8%

<b>Table 4 (end)</b>		
<b>Number and proportion of individuals who would have been poor had they relied only on their own earnings to meet their needs (MBM, 2002)</b>		
	<b>Low earnings in 2002</b>	
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,500 hours	460,802	42.8%
1,501-2,499 hours	459,260	42.7%
2,500 hours or more	156,325	14.5%
<b>Labour Market Experience</b>		
Less than 3 years	227,840	21.2%
3 years or more	629,204	58.5%
<b>Worked full-time in main job</b>		
Yes	767,013	71.3%
No	242,468	22.5%
<b>Accumulated more than one job during the year</b>		
Yes	284,081	26.4%
No	792,305	73.6%
<b>5. Access to Government Transfers</b>		
<b>Received some Government Transfers</b>	779,427	72.4%
<b>Received some Employment Insurance Benefits</b>	271,865	25.3%
<b>Received some Social Assistance Benefits</b>	52,323	4.9%
<b>6. Characteristics of Main Job</b>		
<b>Self-employed during the year</b>		
Yes	351,322	32.6%
No	725,065	67.4%
<b>Type of Occupation</b>		
Finance and Business	200,821	18.7%
Arts, sciences & health	123,811	11.5%
Sales and services	444,601	41.3%
Other occupation	291,396	27.1%
<b>Size of Business</b>		
Small (<20 employees)	681,388	63.3%
Medium (20-99 employees)	218,114	20.3%
Large (100+ employees)	130,882	12.2%
<b>Low-Paid (salaried only)</b>	415,214	57.9%

<b>Table 5</b>		
<b>Number and proportion of individuals who were working poor (WP) in 2002 (MBM)</b>		
	<b>WP in 2002</b>	
<b>All individuals</b>	621,838	100%
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male	362,338	58.3%
Female	259,500	41.7%
<b>Age</b>		
18-24	82,411	13.3%
25-34	139,418	22.4%
35-44	204,584	32.9%
45-54	126,568	20.4%
55-64	68,858	11.1%
<b>Province</b>		
Atlantic Provinces (Nfld, PEI, NB or NS)	56,000	9%
Quebec	87,566	14.1%
Ontario	223,206	35.9%
Manitoba or Saskatchewan or Alberta	119,704	19.3%
BC	135,362	21.8%
<b>Marital Status</b>		
Single (was never married)	195,148	31.5%
In a union (married or not)	312,836	50.3%
Separated, divorced or a widow	113,855	18.3%
<b>Immigrant or Aboriginal living off-reserve</b>		
Yes	96,359	15.5%
No	478,119	76.9%
<b>Work Limitations</b>		
Yes	82,131	13.2%
No	539,707	86.8%
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a high school diploma	114,997	18.5%
HSD	155,184	25%
More than a HSD	202,836	32.6%
University	80,661	13%
<b>Part-time Student</b>		
Yes	33,660	5.4%
No	588,177	94.6%
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	195,314	31.4%
Couple without children, one earner	29,631	4.8%
Couple without children, two earners or more	73,575	11.8%
Couple with one or two children, one earner	44,207	7.1%
Couple with one or two children, two earners or more	88,802	14.3%
Couple with three children or more, one earner	23,652	3.8%
Couple with three children or more, two earners or more	50,534	8.1%
Lone Parent family	66,984	10.8%
Other family type	49,139	7.9%

<b>Table 5 (end)</b>		
<b>Number and proportion of individuals who were working poor (WP) in 2002 (MBM)</b>		
	<b>WP in 2002</b>	
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,500 hours	165,549	26.6%
1,501-2,499 hours	323,184	52%
2,500 hours or more	133,106	21.4%
<b>Labour Market Experience</b>		
Less than 3 years	88,208	14.2%
3 years or more	381,255	61.3%
<b>Worked full-time in main job</b>		
Yes	493,931	79.4%
No	90,453	14.5%
<b>Accumulated more than one job during the year</b>		
Yes	162,976	26.2%
No	458,862	73.8%
<b>5. Access to Government Transfers</b>		
<b>Received some Government Transfers</b>	564,309	90.8%
<b>Received some Employment Insurance Benefits</b>	67,529	10.9%
<b>Received some Social Assistance Benefits</b>	42,033	6.8%
<b>6. Characteristics of Main Job</b>		
<b>Self-employed during the year</b>		
Yes	251,536	40.4%
No	370,302	59.6%
<b>Type of Occupation</b>		
Finance and Business	129,075	20.8%
Arts, sciences & health	67,030	10.8%
Sales and services	218,515	35.1%
Other occupation	197,281	31.7%
<b>Size of Business</b>		
Small (<20 employees)	427,696	68.8%
Medium (20-99 employees)	98,252	15.8%
Large (100+ employees)	62,046	10%
<b>Low-Paid (salaried only)</b>	197,530	54.1%

**Table 7**  
**Summary of the main factors increasing the risk of potential poverty for workers in 2002**

Worker would be poor if he/she:	Main Determinants of Potential Poverty											
	Woman	Large family	Young	Province	Aboriginal Person	Little education	Little work exp.	Less than 1,500 hrs	Self-employed	Sales & services	Small business	Low-Paid
Separated or divorced			X	Atlantic			X	XX	XX	X		XXX
Lost support of other earners	XX	XXX	XXX	1-Atl. 2-BC	X	XX	X	XXX	XX	XX	X	XXX
Lost half of total govt. benefits		XX										X

**Note**

X: means that the characteristic increases the probability of being potentially poor by 5 to 10 percentage points.

XX: means that the characteristic increases the probability of being potentially poor by over 10 to 20 percentage points.

XXX: means that the characteristic increases the probability of being potentially poor by more than 20 percentage points.

**Note that the characteristics that increase the probability of being potentially poor by less than 5 percentage points are not presented in this table, in order to keep the focus on the main determinants of potential poverty.**

**Note that in tables 8 to 17: the figures in bold are statistically significant at confidence intervals of 95%; PP stands for percentage points.**

<b>Table 8</b>		
<b>Predicted probability of being potentially poor (because of family dissolution) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All Workers</b>	7.3%	-
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male (OMITTED)	5.5%	-
Female	<b>9.4%</b>	<b>3.9 pp</b>
<b>Age</b>		
18-24	<b>15.4%</b>	<b>10.0 pp</b>
25-34	6.7%	1.3 pp
35-44 (OMITTED)	<b>5.4%</b>	-
45-54	6.7%	1.3 pp
55-64	6.9%	1.5 pp
<b>Province</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	<b>11.2%</b>	<b>6.2 pp</b>
QC (OMITTED)	<b>5%</b>	-
Ontario	<b>8.2%</b>	<b>3.2 pp</b>
Prairies (Manitoba or Saskatchewan)	<b>7.6%</b>	<b>2.6 pp</b>
Alberta	<b>6.6%</b>	<b>1.6 pp</b>
BC	<b>7.4%</b>	<b>2.4 pp</b>
<b>Aboriginal living off reserve or recent immigrant</b>		
Yes	7.9%	0.7 pp
No (OMITTED)	7.2%	-
<b>Work Limitations</b>		
Yes	<b>9%</b>	<b>1.9 pp</b>
No (OMITTED)	7.1%	-
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a HSD	<b>9.4%</b>	<b>3.4 pp</b>
HSD	<b>8.1%</b>	<b>2.1 pp</b>
More than a HSD	6.6%	0.6 pp
University (OMITTED)	6%	-
<b>Part-time student</b>		
Yes	<b>10.9%</b>	<b>3.9 pp</b>
No (OMITTED)	7%	-
<b>Work Experience</b>		
Less than 3 years	<b>12.8%</b>	<b>6.3 pp</b>
3 years or more (OMITTED)	6.5%	-

<b>Tableau 8 (end)</b>		
<b>Predicted probability of being potentially poor (because of family dissolution) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	<b>16.1%</b>	<b>10.8 pp</b>
1,500-2,499 hours (OMITTED)	5.3%	-
2,500+ hours	5.6%	0.3 pp
<b>Accumulated more than one job during the year</b>		
Yes	<b>8.1%</b>	<b>1.1 pp</b>
No (OMITTED)	7%	-
<b>4. Characteristics of Main Job</b>		
<b>Self employed during the year</b>		
Yes	<b>16.4%</b>	<b>11.0 pp</b>
No (OMITTED)	5.4%	-
<b>Type of Occupation</b>		
Business & Finance	4.6%	0.3 pp
Arts, sciences, and health (OMITTED)	<b>4.3%</b>	-
Sales and services	<b>11.8%</b>	<b>7.5 pp</b>
Other occupation	<b>7.8%</b>	<b>3.5 pp</b>
<b>Size of Business</b>		
Small (<20 employees)	<b>9.2%</b>	<b>4.5 pp</b>
Medium (20-99)	<b>5.9%</b>	<b>1.2 pp</b>
Large (100+) (OMITTED)	4.7%	-

Pseudo R-square: 0.2793; Area under ROC curve: 0.8717.

<b>Table 9</b> <b>Predicted probability of being potentially poor (because of family dissolution)</b> <b>for workers 910+ who were not poor in 2002 - regression including the</b> <b>low-pay/self-employment status</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>Number of hours worked</b>		
910-1,499 hours	<b>18.4%</b>	<b>13.4 pp</b>
1,500-2,499 hours	5.1%	0.1 pp
2,500+ hours (OMITTED)	5.0%	-
<b>Labour Force Status</b>		
Self-employed	<b>17.7%</b>	<b>15.1 pp</b>
Salaried and low-paid	<b>23.1%</b>	<b>20.5 pp</b>
Salaried but not low-paid (OMITTED)	<b>2.6%</b>	-

Pseudo R-square: 0.2553; Area under ROC curve: 0.8439.

<b>Table 10</b>		
<b>Predicted probability of being potentially poor (because of loss of family earnings) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All Workers</b>	29.8%	-
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male (OMITTED)	<b>20.8%</b>	-
Female	<b>40.5%</b>	<b>19.7 pp</b>
<b>Age</b>		
18-24	<b>44.5%</b>	<b>20.4 pp</b>
25-34	<b>33.7%</b>	<b>9.6 pp</b>
35-44	<b>27%</b>	<b>2.9 pp</b>
45-54	<b>28.7%</b>	<b>4.6 pp</b>
55-64 (OMITTED)	<b>24.1%</b>	-
<b>Province</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	<b>36.2%</b>	<b>8.5 pp</b>
QC (OMITTED)	<b>27.7%</b>	-
Ontario	28.5%	0.8 pp
Prairies (Manitoba or Saskatchewan)	<b>30.8%</b>	<b>3.1 pp</b>
Alberta	<b>29.8%**</b>	<b>2.1 pp</b>
BC	<b>33.8%</b>	<b>6.1 pp</b>
<b>Aboriginal living off reserve or recent immigrant</b>		
Yes	<b>35.2%</b>	<b>5.8 pp</b>
No (OMITTED)	<b>29.4%</b>	-
<b>Work Limitations</b>		
Yes	<b>33.2%</b>	<b>3.7 pp</b>
No (OMITTED)	<b>29.5%</b>	-
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a HSD	<b>35%</b>	<b>11.5 pp</b>
HSD	<b>33%</b>	<b>9.5 pp</b>
More than a HSD	<b>30.7%</b>	<b>7.2 pp</b>
University (OMITTED)	<b>23.5%</b>	-
<b>Part-time student</b>		
Yes	27.8%	-
No (OMITTED)	29.9%	2.1 pp
<b>Work Experience</b>		
Less than 3 years	<b>38.9%</b>	<b>9.8 pp</b>
3 years or more (OMITTED)	<b>29.1%</b>	-

<b>Table 10 (end)</b>		
<b>Predicted probability of being potentially poor (because of loss of family earnings) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	<b>41.9%</b>	<b>21.2 pp</b>
1,500-2,499 hours (OMITTED)	<b>28.7%</b>	<b>4.6 pp</b>
2,500+ hours	<b>24.1%</b>	<b>-</b>
<b>Accumulated more than one job during the year</b>		
Yes	<b>33.7%</b>	<b>4.7 pp</b>
No (OMITTED)	<b>29%</b>	<b>-</b>
<b>4. Characteristics of Main Job</b>		
<b>Self employed during the year</b>		
Yes	<b>41.4%</b>	<b>13.6 pp</b>
No (OMITTED)	<b>27.8%</b>	<b>-</b>
<b>Type of Occupation</b>		
Business & Finance	<b>28.3%</b>	<b>4.8 pp</b>
Arts, sciences, and health (OMITTED)	<b>23.5%</b>	<b>-</b>
Sales and services	<b>36.2%</b>	<b>12.7 pp</b>
Other occupation	<b>32.1%</b>	<b>8.6 pp</b>
<b>Size of Business</b>		
Small (<20 employees)	<b>33.4%</b>	<b>8.0 pp</b>
Medium (20-99)	<b>30.3%</b>	<b>4.9 pp</b>
Large (100+) (OMITTED)	<b>25.4%</b>	<b>-</b>
<b>Family Size</b>		
2 persons	<b>18.4%</b>	<b>-</b>
3 persons	<b>28%</b>	<b>9.6 pp</b>
4 persons	<b>40%</b>	<b>21.6 pp</b>
5 persons	<b>53.3%</b>	<b>34.9 pp</b>

Pseudo R-square: 0.2289; Area under ROC curve: 0.8148.

<b>Table 11</b> <b>Predicted probability of being potentially poor (because of loss of family earnings)</b> <b>for workers 910+ who were not poor in 2002 - regression including the</b> <b>low-pay/self-employment status</b>		
	Predicted Probability	Difference (pp) with the smallest probability
<b>Family Characteristics</b>		
Family size = 2	18.3%	-
Family size = 3	27.7%	9.4 pp
Family size = 4	39.7%	21.4 pp
Family size = 5	53.2%	34.9 pp
<b>Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	47.8%	25.7 pp
1,500-2,499 hours (OMITTED)	28.2%	6.1 pp
2,500+ hours	22.1%	-
<b>Labour Force Status</b>		
Self-employed	41.1%	16.8 pp
Salaried and low-paid	57.3%	33.3 pp
Salaried but not low-paid (OMITTED)	24.1%	-

Pseudo R-square: 0.1587; Area under ROC curve: 0.7645.

<b>Table 12</b>		
<b>Predicted probability of being potentially poor (because of a cut in government benefits) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All Workers</b>	3%	-
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male (OMITTED)	3.0%	0.1 pp
Female	2.9%	-
<b>Age</b>		
18-24	2.9%	0.6 pp
25-34	<b>3.7%</b>	<b>1.4 pp</b>
35-44	2.7%	0.4 pp
45-54 (OMITTED)	2.3%	-
55-64	<b>3.8%</b>	<b>1.5 pp</b>
<b>Province</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	<b>6.1%</b>	<b>3.5 pp</b>
QC (OMITTED)	3.1%	0.5 pp
Ontario	2.6%	-
Prairies (Manitoba or Saskatchewan)	2.6%	-
BC	2.6%	-
<b>Aboriginal living off reserve or recent immigrant</b>		
Yes	<b>5.8%</b>	<b>3.1 pp</b>
No (OMITTED)	2.7%	-
<b>Work Limitations</b>		
Yes	<b>4.6%</b>	<b>1.8 pp</b>
No (OMITTED)	2.8%	-
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a HSD	<b>5.3%</b>	<b>2.8 pp</b>
HSD	2.7%	0.2 pp
More than a HSD	2.4%	-
University (OMITTED)	2.5%	0.1 pp
<b>Part-time student</b>		
Yes	1.6%	-
No (OMITTED)	<b>3.0%</b>	<b>1.4 pp</b>
<b>Work Experience</b>		
Less than 3 years	3.8%	0.9 pp
3 years or more (OMITTED)	2.9%	-

<b>Table 12 (end)</b>		
<b>Predicted probability of being potentially poor (because of a cut in government benefits) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	<b>5.8%</b>	<b>3.4 pp</b>
1,500-2,499 hours (OMITTED)	2.4%	-
2,500+ hours	2.6%	0.2 pp
<b>Accumulated more than one job during the year</b>		
Yes	<b>4.3%</b>	<b>1.7 pp</b>
No (OMITTED)	2.6%	-
<b>4. Characteristics of Main Job</b>		
<b>Self employed during the year</b>		
Yes	<b>3.8%</b>	<b>1.0 pp</b>
No (OMITTED)	2.8%	-
<b>Type of Occupation</b>		
Business & Finance	2.2%	0.4 pp
Arts, sciences, and health (OMITTED)	1.8%	-
Sales and services	<b>3.6%</b>	<b>1.8 pp</b>
Other occupation	<b>3.7%</b>	<b>1.9 pp</b>
<b>Size of Business</b>		
Small (<20 employees)	<b>4.3%</b>	<b>2.4 pp</b>
Medium (20-99)	2.2%	0.3 pp
Large (100+) (OMITTED)	1.9%	-
<b>5. Family Characteristics</b>		
Unattached	<b>2.7%</b>	<b>2.2 pp</b>
Couple without children, one earner	<b>2.6%</b>	<b>2.1 pp</b>
Couple without children, two earners or more (OMITTED)	<b>0.5%</b>	-
Couple with one or two children, one earner	<b>9.9%</b>	<b>9.4 pp</b>
Couple with one or two children, two earners or more	<b>2.7%</b>	<b>2.2 pp</b>
Couple with three children or more, one earner	<b>14.2%</b>	<b>13.7 pp</b>
Couple with three children or more, two earners or more	<b>4.9%</b>	<b>4.4 pp</b>
Lone Parent family	<b>15.3%</b>	<b>14.8 pp</b>
Other family type	<b>4.5%</b>	<b>4.0 pp</b>

Pseudo R-square: 0.2011; Area under ROC curve: 0.8496.

<b>Table 13</b> <b>Predicted probability of being potentially poor (because of a cut in government transfers) for workers 910+ who were not poor in 2002 - regression including the low-pay/self-employment status</b>		
	Predicted Probability	Difference (pp) with the smallest probability
<b>Family Characteristics</b>		
Unattached	2.6%	2.1 pp
Couple without children, one earner	3.7%	3.2 pp
Couple without children, two earners or more (OMITTED)	0.5%	-
Couple with one or two children, one earner	12.2%	11.7 pp
Couple with one or two children, two earners or more	2.7%	2.2 pp
Couple with three children or more, one earner	16.1%	15.6 pp
Couple with three children or more, two earners or more	4.6%	4.1 pp
Lone Parent family	13.8%	13.3 pp
Other family type	4.3%	3.8 pp
<b>Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	5.6%	2.7 pp
1,500-2,499 hours (OMITTED)	2.4%	-
2,500+ hours	2.9%	0.5 pp
<b>Labour Force Status</b>		
Self-employed	4.8%	4.6 pp
Salaried and low-paid	8.7%	8.5 pp
Salaried but not low-paid (OMITTED)	0.2%	-

Pseudo R-square: 0.1600; Area under ROC curve: 0.8113.

<b>Table 14</b>		
<b>Predicted probability of being poor for workers 910+, by characteristics, 2002 (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All Workers</b>	5.8%	-
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male (OMITTED)	5.9%	0.2 pp
Female	5.7%	-
<b>Age</b>		
18-24	<b>9.1%</b>	<b>3.8 pp</b>
25-34	5.6%	0.3 pp
35-54 (OMITTED)	5.3%	-
55-64	6.2%	0.9 pp
<b>Province</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	<b>7.8%</b>	<b>4.2 pp</b>
QC (OMITTED)	<b>3.6%</b>	-
Ontario	<b>5.7%</b>	<b>2.1 pp</b>
Prairies (Manitoba or Saskatchewan)	<b>5.9%</b>	<b>2.3 pp</b>
Alberta	<b>5.6%</b>	<b>2.0 pp</b>
BC	<b>9.2%</b>	<b>5.6 pp</b>
<b>Aboriginal living off reserve or recent immigrant</b>		
Yes	<b>10.1%</b>	<b>4.7 pp</b>
No (OMITTED)	<b>5.4%</b>	-
<b>Work Limitations</b>		
Yes	<b>7.1%</b>	<b>1.5 pp</b>
No (OMITTED)	<b>5.6%</b>	-
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a HSD	7.1%	1.8 pp
HSD	5.4%	0.1 pp
More than a HSD	5.3%	-
University (OMITTED)	6.2%	0.8 pp
<b>Work Experience</b>		
Less than 3 years	<b>7.8%</b>	<b>2.2 pp</b>
3 years or more (OMITTED)	<b>5.6%</b>	-
<b>Part-time Student</b>		
Yes	4.9%	-
No (OMITTED)	5.9%	1.0 pp

<b>Table 14 (end)</b>		
<b>Predicted probability of being poor for workers 910+, by characteristics, 2002 (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Family Characteristics</b>		
<b>Family Type</b>		
Unattached	12.7%	10.5 pp
Couple without children, one earner	8.2%	6.0 pp
Couple without children, two earners (OMITTED)	2.2%	-
Couple with one or two children, one earner	15.0%	12.8 pp
Couple with one or two children, two earners	3.2%	1.0 pp
Couple with three children or more, one earner	21.5%	19.3 pp
Couple with three children or more, two earners	6.3%	4.1 pp
Lone Parent	16.4%	14.2 pp
Other Family Type	5.0%	1.8 pp
<b>4. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	9.3%	4.4 pp
1,500-2,499 hours (OMITTED)	4.9%	-
2,500+ hours	5.7%	0.8 pp
<b>Accumulated more than one job during the year</b>		
Yes	7.0%	1.5 pp
No (OMITTED)	5.5%	-
<b>5. Characteristics of Main Job</b>		
<b>Self employed during the year</b>		
Yes	11.3%	6.9 pp
No (OMITTED)	4.4%	-
<b>Type of Occupation</b>		
Business & Finance	5.0%	1.6 pp
Arts, sciences, and health (OMITTED)	3.4%	-
Sales and services	7.9%	4.5 pp
Other occupation	6.4%	3.0 pp
<b>Size of Business</b>		
Small (<20 employees)	7.7%	4.0 pp
Medium (20-99)	4.0%	0.3 pp
Large (100+) (OMITTED)	3.7%	-

Pseudo R-square: 0.2208; Area under ROC curve: 0.8459.

<b>Table 15</b>		
<b>Predicted probability of being poor for workers 910+ in 2002, by characteristic (MBM) – regression including the low-pay/self-employment status</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>Labour Market Characteristics</b>		
<b>Labour Force Status</b>		
Self-employed	<b>14.4%</b>	<b>11.9 pp</b>
Salaried and low-paid	<b>14.0%</b>	<b>11.5 pp</b>
Salaried but not low-paid (OMITTED)	<b>2.5%</b>	-
<b>Number of hours worked</b>		
910-1,499 hours	<b>9.0%</b>	<b>3.1 pp</b>
1,500-2,499 hours (OMITTED)	<b>4.9%</b>	-
2,500+ hours	<b>5.9%</b>	<b>1.0 pp</b>
<b>Family Characteristics</b>		
Unattached	<b>12.6%</b>	<b>10.5 pp</b>
Couple without children, one earner	<b>8.5%</b>	<b>6.4 pp</b>
Couple without children, two earners (OMITTED)	<b>2.1%</b>	-
Couple with one or two children, one earner	<b>16.8%</b>	<b>14.7 pp</b>
Couple with one or two children, two earners	<b>3.2%</b>	<b>1.1 pp</b>
Couple with three children or more, one earner	<b>23.5%</b>	<b>22.4 pp</b>
Couple with three children or more, two earners	<b>5.9%</b>	<b>3.8 pp</b>
Lone Parent	<b>15.6%</b>	<b>13.5 pp</b>
Other Family Type	<b>4.8%</b>	<b>2.7 pp</b>

Pseudo R-square: 0.2163; Area under ROC curve: 0.8402.

<b>Table 16</b>		
<b>Predicted probability of being potentially poor (because of insufficient personal earnings) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All Workers</b>	10.6%	-
<b>1. Demographic Characteristics</b>		
<b>Gender</b>		
Male (OMITTED)	8.1%	-
Female	<b>13.7%</b>	<b>5.6 pp</b>
<b>Age</b>		
18-24	<b>17.0%</b>	<b>7.7 pp</b>
25-34	<b>10.2%</b>	<b>1.0 pp</b>
35-44	<b>9.3%</b>	<b>0.1 pp</b>
45-54 (OMITTED)	<b>9.2%</b>	-
55-64	<b>12.8%</b>	<b>3.6 pp</b>
<b>Province</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	<b>17.5%</b>	<b>8.4 pp</b>
QC	9.8%	
Ontario	10.6%	
Prairies (Manitoba or Saskatchewan or Alberta)	9.7%	0.6 pp
Alberta	9.1%	-
BC (OMITTED)	9.8%	0.7 pp
<b>Aboriginal living off reserve or recent immigrant</b>		
Yes	12.2%	1.7 pp
No (OMITTED)	10.5%	-
<b>Work Limitations</b>		
Yes	<b>14.1%</b>	<b>3.8 pp</b>
No (OMITTED)	10.3%	-
<b>2. Socioeconomic Characteristics</b>		
<b>Highest level of education</b>		
Less than a HSD	<b>14.2%</b>	<b>5.1 pp</b>
HSD	<b>11.4%</b>	<b>2.3 pp</b>
More than a HSD	9.7%	0.6 pp
University (OMITTED)	9.1%	-
<b>Part-time student</b>		
Yes	<b>14.3%</b>	<b>2.9 pp</b>
No	10.4%	-
<b>Work Experience</b>		
Less than 3 years	<b>18.0%</b>	<b>8.2 pp</b>
3 years or more (OMITTED)	9.8%	-

<b>Table 16 (end)</b> <b>Predicted probability of being potentially poor (because of insufficient personal earnings) for workers 910+ who were not poor in 2002, by characteristic (MBM)</b>		
	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Labour Market Characteristics</b>		
<b>Number of hours worked</b>		
910-1,499 hours	<b>25.8%</b>	<b>18.4 pp</b>
1,500-2,499 hours (OMITTED)	<b>7.4%**</b>	-
2,500+ hours	8.5%	1.1 pp
<b>Accumulated more than one job during the year</b>		
Yes	<b>12.3%</b>	<b>2.1 pp</b>
No (OMITTED)	<b>10.2%</b>	-
<b>4. Characteristics of Main Job</b>		
<b>Self employed during the year</b>		
Yes	<b>20.6%</b>	<b>12.0 pp</b>
No (OMITTED)	8.6%	-
<b>Type of Occupation</b>		
Business & Finance	7.6%	0.8 pp
Arts, sciences, and health (OMITTED)	<b>6.8%</b>	-
Sales and services	<b>15.4%</b>	<b>8.6 pp</b>
Other occupation	<b>12.5%</b>	<b>5.7 pp</b>
<b>Size of Business</b>		
Small (<20 employees)	<b>13.6%</b>	<b>6.3 pp</b>
Medium (20-99)	<b>8.7%</b>	<b>1.4 pp</b>
Large (100+) (OMITTED)	7.3%	-

Pseudo R-square:0.2638; Area under ROC curve: 0.8535.

**Table 17**  
**Predicted probability of being potentially poor (because of insufficient personal earnings) for workers 910+ who were not poor in 2002 - regression including the low-pay/self-employment status**

	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>Number of hours worked</b>		
910-1,499 hours	<b>29.0%</b>	<b>21.7 pp</b>
1,500-2,499 hours (OMITTED)	7.3%	-
2,500+ hours	<b>7.9%</b>	<b>0.6 pp</b>
<b>Labour Force Status</b>		
Self-employed	<b>22.9%</b>	<b>18.1 pp</b>
Salaried and low-paid	<b>31.6%</b>	<b>26.8 pp</b>
Salaried but not low-paid (OMITTED)	<b>4.8%</b>	-

Pseudo R-square: 0.2506; Area under ROC curve: 0.8241.

**Table 18**  
**Incidence of separation/divorce over 2000-2003 for those who were working poor (WP), had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to a decrease in government benefits (V-GW) in 1999 (using post-tax LICOs)**

	<b>WP</b>	<b>WNP</b>	<b>PWP-E</b>	<b>V-FD</b>	<b>V-FE</b>	<b>V-GW</b>	<b>Not V-FD</b>	<b>Not V-FE</b>
Proportion who separated/divorced over 2000-2003	19.7%	12.5%	10.5%	7.3%	7.2%	26.9%	13%	13.8%

**Table 19**  
**Predicted probability of experiencing separation or divorce at least once over 2000-2003**  
**for those who were in a union in 1999**

	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>All individuals</b>	3.6%	-
<b>1. Demographic Characteristics</b>		
<b>Gender**</b>		
Male	<b>3.9%</b>	<b>0.6 pp</b>
Female	<b>3.3%</b>	-
<b>Age Difference of Spouses</b>		
Less than 3 years	<b>2.6%</b>	-
Between 3 and 5 years	4.2%	1.6 pp
More than 5 years	<b>5.2%</b>	<b>2.6 pp</b>
<b>Province of Residence in 1999</b>		
Atlantic Provinces (NFLD, PEI, NB or NS)	3.8%	0.8 pp
QC	3.9%	0.9 pp
Ontario	3.0%	-
Prairies (Manitoba or Saskatchewan)	3.3%	0.3 pp
Alberta	3.3%	0.3 pp
BC	4.7%	1.4 pp
<b>Marital Status</b>		
Married in 1999	<b>3.0%</b>	-
In a union but not married in 1999	<b>6.3%</b>	<b>3.3 pp</b>
<b>Marriage Dynamics</b>		
As of 1999, had been married more than once	<b>5.7%</b>	<b>2.3 pp</b>
As of 1999, had not been married more than once	<b>3.4%</b>	-
<b>2. Psychological Status</b>		
<b>Stress status in 1999</b>		
Reported feeling stressed in 1999	<b>4.3%</b>	<b>2.1 pp</b>
Reported not feeling stressed in 1999	<b>2.2%</b>	-

\*\* The gender of the individual is not statistically significant when we do the regression using un-weighted observations.

**Table 19 (end)**  
**Predicted probability of experiencing separation or divorce at least once over 2000-2003**  
**for those who were in a union in 1999**

	<b>Predicted Probability</b>	<b>Difference (pp) with the smallest probability</b>
<b>3. Socioeconomic Characteristics</b>		
<b>Difference in the education level of spouses</b>		
Less than 2 years of schooling	<b>3.4%</b>	<b>0.7 pp</b>
Between 2 and 3.5 years of schooling	<b>4.5%</b>	<b>1.8 pp</b>
More than 3.5 years of schooling	<b>2.7%</b>	-
<b>Individual was V-FD in 1999</b>		
Yes	3.5%	-
No	3.6%	0.1 pp
<b>Type of Work</b>		
Had a standard job in 1999	3.9%	0.5 pp
Had a non-standard job in 1999	3.4%	-
<b>Female Work</b>		
The woman worked in 1999	3.6%	0.1 pp
The woman did not work in 1999	3.5%	-
<b>Birth Cohort</b>		
Individual was born in or prior to 1949	<b>1.0%</b>	-
Individual was born between 1950 and 1954	<b>2.2%</b>	<b>1.2 pp</b>
Individual was born between 1955 and 1959	<b>4.2%</b>	<b>3.2 pp</b>
Individual was born between 1960 and 1964	<b>4.2%</b>	<b>3.2 pp</b>
Individual was born between 1965 and 1969	<b>5.9%</b>	<b>4.9 pp</b>
Individual was born in or after 1970	<b>8.5%</b>	<b>7.5 pp</b>

Pseudo R-square: 0.0945; Area under ROC curve: 0.7575.

**Note:** The numbers in bold are statistically significant at confidence intervals of 95% or 99%.

The following table provides details on the methodology used to identify, in the SLID, those in a union in 1999 who separated or divorced at least once over 2000-2003.

<b>Table 20</b>	
<b>Number of Canadians in 1999, longitudinal respondents in 1999, Canadians in a union in 1999, and Canadians in a union in 1999 who separated or divorced over 2000-2003</b>	
	<b>Number of individuals</b>
All Canadians in 1999	29,442,950
Canadians identified in 1999 who were respondents each year from 1999 to 2003 (i.e. longitudinal respondents)	23,183,922
Longitudinal respondents who were in a union in 1999 (initial sample)	11,639,920
Longitudinal respondents who were in a union in 1999 (final sample)	9,433,260
Longitudinal respondents who were in a union in 1999 and who divorced or separated at least once over 2000-2003	338,939 (3.6% of those who were in a union in 1999) <b>Note:</b> this population includes 410 un-weighted observations split half and half between men and women.

Only longitudinal respondents were kept in the sample because we need to be able to follow all individuals over time if we want to assess if they experienced separation or divorce over a number of years.

The following adjustments were made to ensure that the results obtained were as valid as possible and were in line with the research (which is seeking to assess the impact of being poor or a potential working poor on the risk of separating or divorcing):

1. The first adjustment eliminated those who reported being in a union in 1999 but who were actually unattached ( $fmsz27=1$ ), i.e. they do not live with their spouse, because those individuals do not share their lodging with their spouse which increases their risk of being potentially or actually poor. After this first adjustment, 11,569,347 individuals were left in the sample.
2. The second adjustment limited the sample to those who reported being part of a couple in 1999 (with the variable  $fcomp27$ ), in order to keep only actual couples. After this second adjustment, 10,177,824 individuals were left in the sample.
3. The third adjustment limited the sample to those who were either the major income earner or his/her spouse in the couple in 1999. This, to avoid including in the sample individuals living in an economic family of two or more, reporting that they are in a union, but who do not live with their spouse (e.g. an 18 year-old living with her/his parents but reporting that they are in a union, although their spouse is not part of their economic family). After this third adjustment, 10,084,011 individuals were left in the sample.

4. In the final adjustment three operations were performed. After this adjustment, 9,433,260 individuals were left in the sample.
  - a. The first, to eliminate same sex couples from the sample as we assumed that those couples might have ‘atypical’ marital behaviours, i.e. different from those of heterosexual couples.
  - b. The second, to fix cases where one of the spouses reported separating or divorcing over 2000-2003 but the other reported being in a union the whole time. In these cases the variable riskfam (i.e. experiencing separation or divorce over 2000-2003) was recoded at 1 for all spouses when one of the spouse’s familyid changed over the 2000-2003 period while it was recoded at zero for all spouses when none of the spouse’s familyid changed over the same period.
  - c. The third, to eliminate cases where the spouses reported different marital outcomes and their familyid changed in uncommon ways (e.g. two persons are in a union in 1999. In 2000, one of the spouse’s familyid changes while the other person keeps the same familyid. Then, in 2001, the person whose familyid had not changed, changes her familyid to her ex-spouse new familyid). These individuals were deleted from the sample.

<b>Table 21</b>		
<b>Proportion of those who were V-FD in 1999, who either separated/divorced sometime between 2000 and 2003 and who were poor at least once over the same period</b>		
	<b>Proportion who were poor at least one year over 2000-2003</b>	<b>Average number of years spent in poverty over 2000-2003</b>
V-FD who experienced separation or divorce over 2000-2003	41.6%	0.8 year
V-FD who <b>did not</b> experience separation or divorce over 2000-2003	10.4%	0.2 year

<b>Table 22</b>		
<b>Proportion of those who were not V-FD in 1999, who either separated/divorced sometime between 2000 and 2003 and who were poor at least once over the same period</b>		
	<b>Proportion who were poor at least one year over 2000-2003</b>	<b>Average number of years spent in poverty over 2000-2003</b>
Non V-FD who experienced separation or divorce over 2000-2003	11.4%	0.2 year
Non V-FD who <b>did not</b> experience separation or divorce over 2000-2003	5%	0.08 year

<b>Table 23</b> Proportion of those who were V-FE in 1999, who either separated/divorced sometime between 2000 and 2003 and who were poor at least once over the same period		
	Proportion who were poor at least one year over 2000-2003	Average number of years spent in poverty over 2000-2003
V-FE who experienced separation or divorce over 2000-2003	26.3%	0.5 year
V-FE who <b>did not</b> experience separation or divorce over 2000-2003	8.1%	0.1 year

<b>Table 24</b> Proportion of those who were not V-FE in 1999, who either separated/divorced sometime between 2000 and 2003 and who were poor at least once over the same period		
	Proportion who were poor at least one year over 2000-2003	Average number of years spent in poverty over 2000-2003
Non V-FE who experienced separation or divorce over 2000-2003	11.5%	0.2 year
Non V-FE who <b>did not</b> experience separation or divorce over 2000-2003	4.9%	0.08 year

<b>Table 25</b> Proportion of those who were not vulnerable to family dissolution (NV-FD), to a loss of family members' earnings (NV-FE) to a cut on government transfers (NV-GW) or who did not have very low earnings (NPWP-E) in 1999 who were unemployed; worked less than 910 hours or more than 1,500 hours at least once over 2000-2003				
	NV-FD	NV-FE	NV-GW	NPWP-E
Proportion who did not work at least one year over 2000-2003	7.1%	7.6%	8%	7%
Proportion who worked less than 910 hours at least one year over 2000-2003	14.2%	14.1%	15.5%	13.5%
Proportion who worked 1,500 hours or more at least one year over 2000-2003	94.3%	94.3%	93.1%	95%

<b>Table 26</b> Proportion of those who were not vulnerable to family dissolution (NV-FD), to a loss of family members' earnings (NV-FE) to a cut on government transfers (NV-GW) or who did not have very low earnings (NPWP-E) in 1999 and who had no or negative earnings in 1999 or in 2003				
	NV-FD	NV-FE	NV-GW	NPWP-E
Proportion who had zero or negative earnings in 1999	0.4%	0.5%	1.0%	0%
Proportion who had zero or negative earnings in 2003	4.4%	4.6%	5.2%	4.1%

<b>Table 27</b>				
<b>Earnings progression (over 2000-2003) of those who were not vulnerable to family dissolution (NV-FD), to a loss of family members earnings (NV-FE) to a cut on government transfers (NV-GW) or who did not have very low earnings (NPWP-E) in 1999</b>				
	<b>NV-FD</b>	<b>NV-FE</b>	<b>NV-GW</b>	<b>NPWP-E</b>
Proportion of those identified in 1999 for whom the earnings decreased over 2000-2003	41.8%	43.1%	23.3%	40.2%
Proportion of those identified in 1999 for whom the earnings increased between 0-10%	17.2%	17.5%	5%	16.3%
Proportion of those identified in 1999 for whom the earnings increased between 11-20%	13%	13%	4.8%	12.3%
Proportion of those identified in 1999 for whom the earnings increased more than 20%	23.6%	21.9%	53.4%	26%

<b>Table 28</b>				
<b>Average number of hours accumulated by those who were NPWP in 1999 (excludes non-respondents)</b>				
	<b>NV-FD</b>	<b>NV-FE</b>	<b>NV-GW</b>	<b>NPWP-E</b>
Average number of hours accumulated over 1999-2003 (excludes non-respondents)	9,780 hours	9,823 hours	9,676 hours	9,820 hours

<b>Table 29</b>				
<b>Proportion of those who were NPWP in 1999 who increased their education level over 2000-2003</b>				
	<b>NV-FD</b>	<b>NV-FE</b>	<b>NV-GW</b>	<b>NPWP-E</b>
Proportion of those identified in 1999 who increased their education level over 2000-2003	6.4%	6.1%	6.7%	6.5%

**In tables 30 and 31:**

- The proportions are calculated for individuals who do not have a missing or a negative value at atinc27. They are calculated as follows: 1) at the family level: (gtr27/atinc27); and 2) at the personal level: (gtr42/atinc42).
- GT stands for total government transfers (includes provincial, territorial and federal transfers).
- All figures are in 2003 dollars (the numbers have been converted using the Consumer Price Index).

**Table 30**  
**Proportions of the family and personal income coming from total government transfers for those who would have been poor (according to the post-tax LICOs) if they had lost access to 50% of total government benefits at the family level**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Proportion of the family income coming from family GT	42.6%	44.4%	43.5%	44.9%	40.1%	41.4%	40.9%	42.4%	41.6%	42.5%
Average family GT (\$)	\$11,714	\$11,977	\$12,044	\$12,275	\$10,824	\$11,205	\$10,822	\$11,455	\$11,340	\$11,478
Proportion of the personal income coming from GT	35.1%	37.6%	35.1%	34%	31.1%	33.8%	36.6%	34.7%	31.8%	30.8%
Average personal GT (\$)	\$6,172	\$6,397	\$6,008	\$5,877	\$5,442	\$5,535	\$4,952	\$5,663	\$5,541	\$5,261

**Table 31**  
**Proportions of the family and personal income coming from total government transfers for those who would NOT have been poor (according to the post-tax LICOs) if they had lost access to 50% of total government benefits at the family level and who were not poor either**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Proportion of the family income coming from family GT	8%	8.3%	7.7%	7.3%	7%	6.2%	6.3%	6.7%	6.7%	6.5%
Average family GT (\$)	\$4,123	\$4,222	\$3,978	\$3,888	\$3,707	\$3,337	\$3,375	\$3,726	\$3,680	\$3,546
Proportion of the personal income coming from GT	6%	6.1%	5.7%	5.7%	5.4%	4.5%	4.6%	5.1%	5.1%	4.9%
Average personal GT (\$)	\$1,321	\$1,347	\$1,250	\$1,185	\$1,149	\$1,019	\$1,015	\$1,147	\$1,161	\$1,067

In the following tables, an 'X' means that there are less than 25 un-weighted observations in the cell. Consequently, following Statistics Canada's rules, we cannot publish the information.

**Table 32**

**Various longitudinal results on low-income over 1999-2003 for those who were working poor (WP), working non-poor (WNP), had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to government funding withdrawal (V-GW) in 1999 (using post-tax LICOs)**

	V-FD	V-FE	V-GW	WP	PWP-E
Number of individuals in 1999	799,135	1,647,732	149,431	351,867	1,050,785
Average number of years spent in poverty	0.2 years	0.2 years	0.8 years	2.4 years	0.3 years
Average number of years spent in potential poverty	3.3 years	2.4 years	1.8 years	NA	3.3 years
Proportion who were poor at least one year over 2000-2003	12.7%	9.4%	43.7%	62.3%	15.9%
Proportion who experienced persistent poverty over 1999-2003	X	X	X	28.7%	2.7%

**Table 33**

**Proportion of the working poor (WP), workers who had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to government funding withdrawal (V-GW) in 1999 and who, over 2000 to 2003 were either unemployed, or worked less than 910 hours, or worked more than 1,500 hours at least once (using post-tax LICOs)**

	V-FD	V-FE	V-GW	WP	PWP-E
Average number of hours accumulated over 1999-2003 (excluding non-respondents)	8,502 hrs	8,967 hrs	9,158 hrs	9,846 hrs	8,460 hrs
Proportion who did not work at least one year over 2000-2003	16.5%	9.9%	X	13.7%	15.2%
Proportion who worked less than 910 hours at least one year over 2000-2003	31.5%	23.3%	32.7%	25.3%	32.6%
Proportion who worked 1,500 hours or more at least one year over 2000-2003	80.6%	87.5%	86.7%	90.7%	80.3%

**Table 34**

**Proportion of the working poor (WP), workers who had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to government funding withdrawal (V-GW) in 1999 and who had no or negative earnings in 1999 or in 2003 (using post-tax LICOs)**

	V-FD	V-FE	V-GW	WP	PWP-E
Proportion who had zero or negative earnings in 1999	7.8%	3.8%	X	13.1%	9%
Proportion who had zero or negative earnings in 2003	13.6%	7.9%	X	14.2%	13.3%

**Table 35**

**Earnings progression (over 2000-2003) of the working poor (WP), workers who had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to government funding withdrawal (V-GW) in 1999 (using post-tax LICOs)**

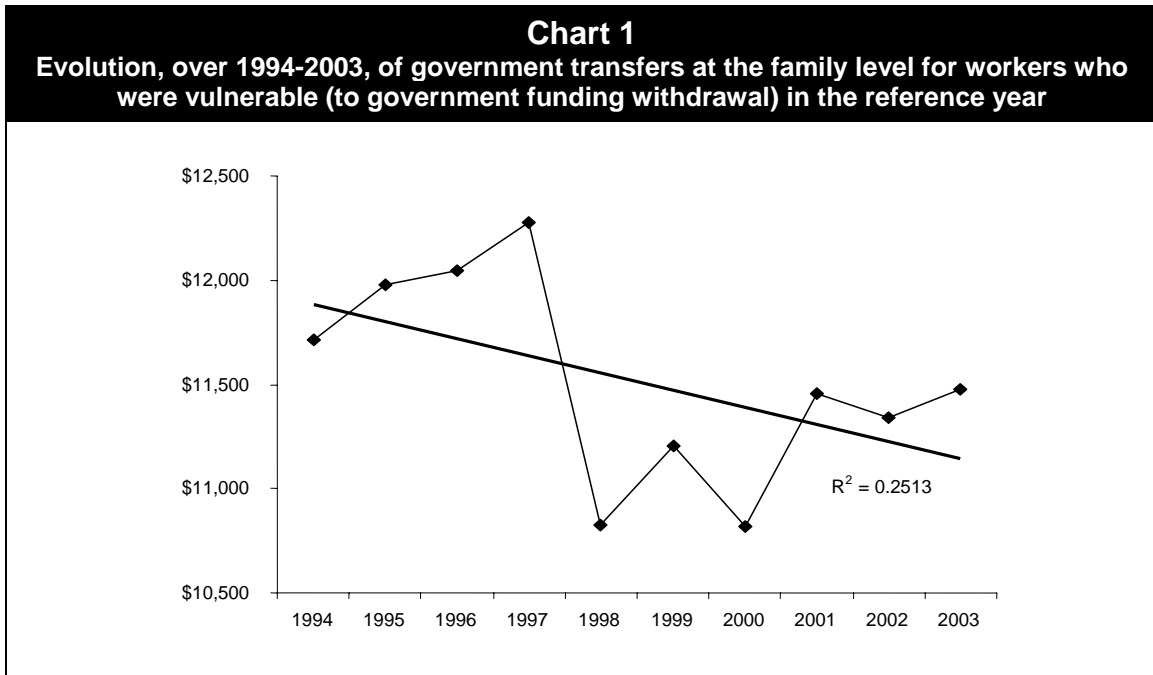
	V-FD	V-FE	V-GW	WP	PWP-E
Proportion of those identified in 1999 for whom the earnings decreased over 2000-2003	23.3%	27.3%	33.5%	19.7%	22.7%
Proportion of those identified in 1999 for whom the earnings increased between 0-10%	5%	10.1%	X	X	5.2%
Proportion of those identified in 1999 for whom the earnings increased between 11-20%	4.8%	9.1%	X	X	4.7%
Proportion of those identified in 1999 for whom the earnings increased more than 20%	53.4%	45.6%	X	57.9%	54.1%

**Table 36**

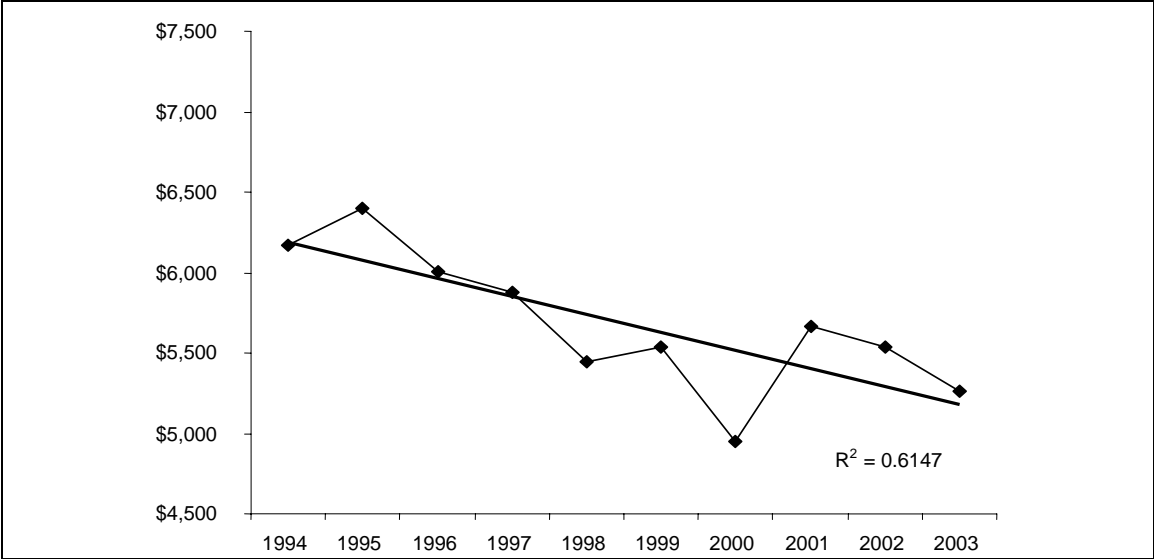
**Increase in the education level of the working poor (WP), workers who had low earnings (PWP-E), were vulnerable to family dissolution (V-FD), to a decrease in other family members' earnings (V-FE) or to government funding withdrawal (V-GW) in 1999 (using post-tax LICOs)**

	V-FD	V-FE	V-GW	WP	PWP-E
Proportion of those identified in 1999 who increased their education level over 2000-2003	9.1%	9%	X	11.7%	7.7%

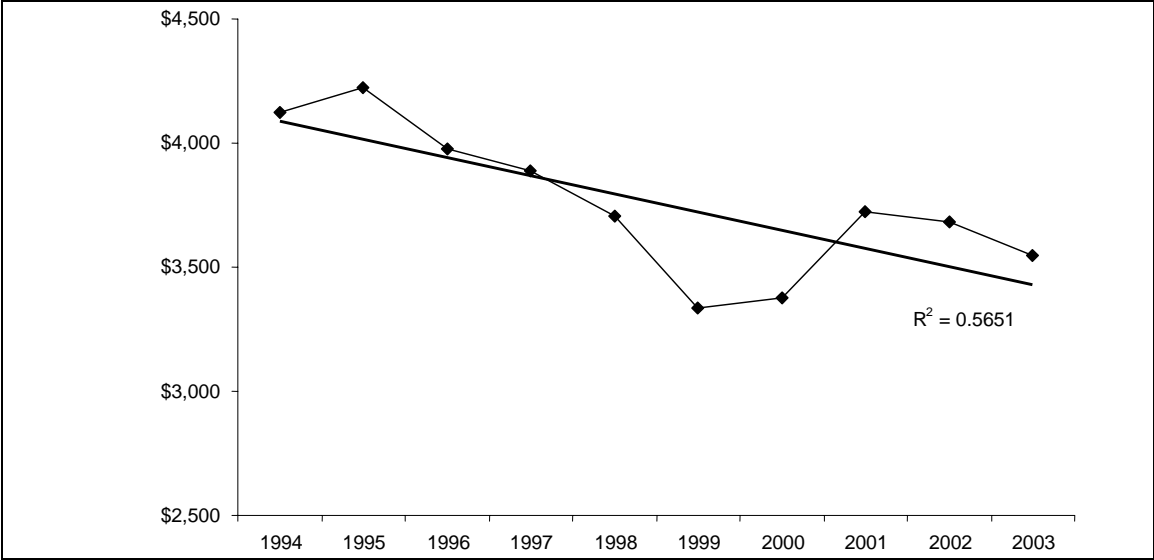
<b>Table 37</b> <b>Various longitudinal results on male vs. female workers for those who were vulnerable to a decrease in other family members' earnings (V-FE) in 1999</b>		
	<b>V-FE male</b>	<b>V-FE female</b>
Proportion who increased their education level over 2000-2003	11.4%	7.6%
Average number of hours accumulated over 1999-2003 (excludes non-respondents)	10,636 hours	8,071 hours
Proportion who did not work at least one year over 2000-2003	5.6%	12.4%
Proportion who worked less than 910 hours at least one year over 2000-2003	17.1%	26.8%
Proportion who worked 1,500 hours or more at least one year over 2000-2003	95.6%	82.9%
Proportion who had no or negative earnings in 1999	6.2%	2.3%
Proportion who had no or negative earnings in 2003	6%	9%
Proportion for whom the earnings decreased over 2000-2003	23.1%	29.8%
Proportion for whom the earnings increased between 0-10%	7.5%	11.6%
Proportion for whom the earnings increased between 11-20%	9.2%	9.1%
Proportion for whom the earnings increased more than 20%	54.4%	40.6%



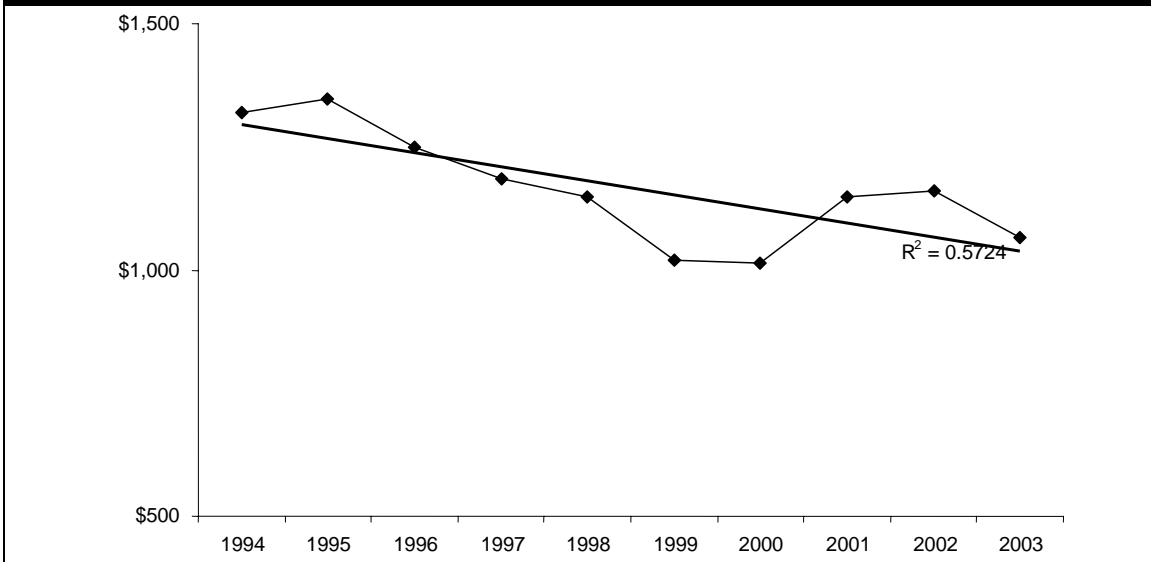
**Chart 2**  
**Evolution, over 1994-2003, of government transfers at the personal level for workers who were vulnerable (to government funding withdrawal) in the reference year**



**Chart 3**  
**Evolution, over 1994-2003, of government transfers at the family level for workers who were neither vulnerable (to government funding withdrawal) nor poor in the reference year**



**Chart 4**  
Evolution, over 1994-2003, of government transfers at the personal level for workers who were neither vulnerable (to government funding withdrawal) nor poor in the reference year



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