

Fact Sheet # 6

Understanding the Racialization of Poverty in Ontario In Income Security in 2007

How does the racialization of poverty affect incomes and the need for social assistance ?

In Toronto, racialized group members are 3 times more likely to live in poverty than other groups.

Between 1980 and 2000 in Toronto, the poverty rate for the non-racialized population fell by 28%, but poverty among racialized families rose by 361%.

Ontario's minimum wage is \$8 per hour - \$6,000 a year below the low income cut-off (LICO) for a single person.

The Ontario government plans to raise the minimum wage to \$10.25 over the next 3 years. At that time (2010) it will still be nearly \$1 per hour below the poverty line.

The child poverty rate for newcomers in Toronto is 39%.

59% of poor families in Toronto are from racialized groups.

Toronto Families living below the Low-Income Cut-Off (LICO)

European	11%
South Asian	21%
East Asian	19%
South and Central American	20%
African	39%
Arab and West Asian	30%
Caribbean	22%
Specific Nationalities:	
Korean	30%
Jamaican	27%
Iranian	32%
Bangladeshi	54%
Somali	72%
Afghan	60%
Chinese	21%
Taiwanese	41%
Ethiopean	57%

Quick Notes

- * Ontario's growing racialized communities face a disproportionate, ongoing, and increasing risk of being poor.
- * **Racialized** persons refers to people of colour who are Canadian-born and to newcomer communities of colour.
- * By **racism**, we mean both the individual attitudes and behaviours as well as the built-in ways in which social policies and societal institutions discriminate.
- * Households that fall below Canada's **low income cut-off (LICO)** measure, spend a much larger percent of their income on basic necessities like food and shelter than the average family.
- * Racialized families are from 2 to 4 times more likely than white families to fall below the LICO.
- * Individual and systemic racism have clear & negative impacts on life chances for people of colour in Ontario.

While rates of low income decreased between 1995 and 2000, the difference between the low income rates of racialized group children and the average for all other children combined, widened from a difference of 110% (2.1 times as high) to 140% (2.4 times as high)

While newcomers have higher education levels than the Canadian born – 35.7% of recent newcomers have a university degree while only 13.8% of the Canadian born – the average annual newcomer income tends to be much lower – particularly for newcomers from non-European backgrounds. For example the average annual income for all Toronto males is - \$51,389 – while that of recent male newcomers is - \$26,611. For all Toronto females annually it is - \$33,214 – while for recent newcomer women it's - \$16,921.

Growing numbers of racialized people - often women - work in part time and unstable work. This means they often do not have employment insurance (EI), though they pay into the EI fund.

While poverty levels do appear to decrease with length of time in Canada, census data indicates that low income levels for racialized communities remain high irrespective – 31.4%.

The employment income of recent newcomers from Asia, Latin America & the Caribbean is ½ that of immigrants from the UK and northern Europe and 1/3 that of those from USA.

An Ontario couple with two children would qualify for \$19,000 of social assistance per year at the *most*. This is half the amount they would need to be just at the poverty line.

Many refugee & undocumented persons cant get social benefits.

The Slow Uphill Climb

The lower income of immigrants is not just a result of recent settlement or problems adjusting. It takes about 20 years for an immigrant to make almost as much as someone from Canada of the same sex, age, and education level.

This estimate is based on the experiences of earlier immigrants from Europe, so it does not even account for many barriers faced by racialized immigrants today.

Everyday Lives

“When I moved to Toronto I couldn’t find a job, I had an apartment to pay for and the government kept cutting my welfare and I didn’t know what to do. I had nobody, so I just decided to work on the street, you know, and I realized it’s easy money.”
(Shelter resident)

“For one month, the total they paid me was \$526.”
(Sharif, works 10-12 hours/day as a courier)

“Everybody that works, they should at least get the minimum wage...”
(Raj, has two delivery jobs at \$7 per hour.)

“After [being fired]... I wanted to apply for Social Assistance [but] you have to wait for three months... It was hard, very very hard.”
(Zahra, student, sending money back home)

What can be done, and examples of who is doing it ?

The **Ontario Council of Agencies Serving Immigrants (OCASI)** works toward equality for immigrant and refugee communities through more than 170 member organizations across Ontario.
Contact : www.ocasi.org
Phone - 416-322-4950

Sistering - guided by principles of anti-racism & anti-oppression works to change social conditions and inequalities which endanger homeless, under-housed and low income women’s welfare.
Contact - www.sistering.org
Phone - 416-926-9762

The **Worker’s Action Centre** is calling for an immediate increase in the minimum wage and many other changes to benefit workers.
Contact : www.workersactioncentre.org
Phone - 416-531-0778

For further Information, Action Ideas & Advocacy Tools please go to -

The Colour of Poverty Campaign -

www.colourofpoverty.ca