

# Income Security in Guelph and Wellington County

■ The following fact sheet provides information on factors influencing income security in the City of Guelph and Wellington County.

## Low Income Cut-Offs in Guelph and Wellington County

- **The term** “*Low income cut-off (LICO)* is one of a number of measures of low-income that are often used as indicators of poverty. LICOs are income thresholds, determined by analyzing family expenditure data, below which families will devote a larger share of income to the necessities of food, shelter and clothing than the average family would. To reflect differences in the costs of necessities among different community and family sizes, LICOs are defined for five categories of community size and seven of family size.<sup>i</sup> **For this report all LICO measures will be the before tax figures.**
- In all of Wellington County (City of Guelph included) 8.7% of all individuals are living below the Low Income Cut Off (LICO).<sup>ii</sup>
- 9.4% of women living in Wellington County (City of Guelph included) are living below the LICO and in the same geographical area 9.6% of children 18 years of age or less are living below the LICO.<sup>iii</sup>
- 7.4% of seniors living in the City of Guelph are living below the LICO.<sup>iv</sup>

## Unemployment Rates and Employment Insurance

- Employment Insurance (EI) provides Regular Benefits to individuals who lose their jobs through no fault of their own (for example, due to shortage of work, seasonal or mass lay-offs) and are available for and able to work, but can't find a job.<sup>v</sup>
- The basic benefit rate is 55% of the average insured earnings up to a yearly maximum insurable amount of \$42,300. This means individuals can receive a maximum payment of \$447 per week. EI payment is a taxable income, meaning federal and provincial or territorial, if it applies, taxes will be deducted.
- Individuals can receive a higher benefit rate if they are in a low-income family — net income up to a maximum of \$25,921 per year — with children and the individual or their spouse receive the Canada Child Tax Benefit (CCTB). At that point individuals are then entitled to the Family Supplement.<sup>vi</sup>
- Between January of 2008 and May 2009 the number of EI claimants for the County of Wellington has risen 225.6% (261.1% - City of Guelph, 166.5% - Rest of Wellington County).<sup>1</sup>
- The numbers above have been greatly affected in recent months by the economic downturn that is affecting the entire nation. Most of the jobs affected in Wellington County (city of Guelph included). Of individuals living in Wellington County 19.0% reported working in the manufacturing industry on the 2006 Census.<sup>vii</sup>
- Unemployment rates for the City of Guelph have increased from 5.2% in April of 2008 to 8.1% in April of 2009.<sup>viii</sup>

<sup>i</sup> Statistics Canada (2006/2007). Low Income Cut-offs for 2007 and Low Income Measures for 2006.

<http://www.statcan.gc.ca/pub/75f0002m/75f0002m2008004-eng.pdf>

<sup>ii</sup> Ibid

<sup>iii</sup> Ibid

<sup>iv</sup> Statistics Canada (2006). Income Status Before Tax and Income Status After Tax (8) and Economic Family Status and Age Groups (80) for the Persons in Private Households of Canada, Provinces, Census Metropolitan Areas and Census Agglomerations, 2005.

<http://www12.statcan.ca/english/census06/data/topics/RetrieveProductTable.cfm?TPL=RETR&ALEVEL=3&APATH=3&CATNO=&DETAIL=0&DIM=&DS>

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<sup>v</sup> Service Canada. <http://www.servicecanada.gc.ca/eng/sc/ei/benefits/regular.shtml>

<sup>vi</sup> Ibid

<sup>vii</sup> Statistics Canada (2006), Community Profiles. <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/page.cfm?Lang=E&Geo1=CD&Code1=3523&Geo2=PR&Code2=35&Data=Count&SearchText=wellington&SearchType=Begins&SearchPR=01&B1=Labour&Custom=>

<sup>viii</sup> Statistics Canada (2009), Labour Force Survey