

MATERIAL DEPRIVATION AND LOW INCOME

Measures of material deprivation show that the experience of poverty may coincide with an income that is both below and above the poverty line.

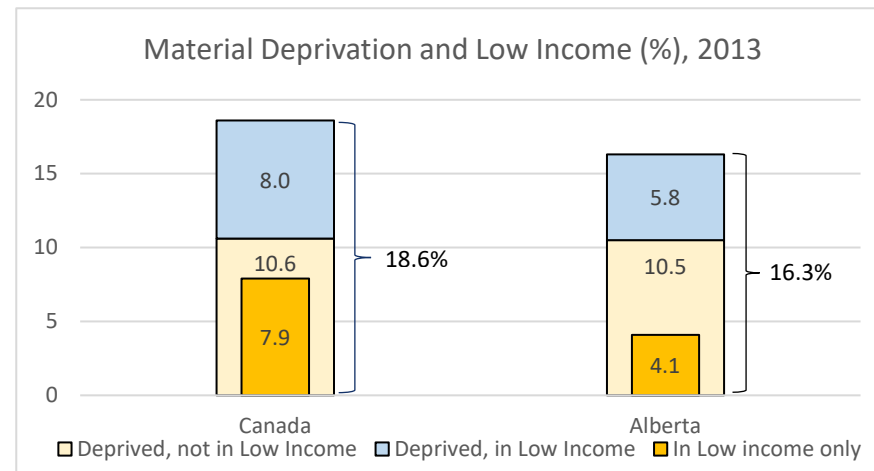
There are two major accepted methods for determining poverty: income measures and material deprivation measures. Canada has tended to rely on the former which means that poverty has been viewed through the lens of a predetermined basket of goods and services that individuals or families ought to be able to afford. In contrast, measures of material deprivation see survey respondents affirming, or denying, whether they can afford items on a list that has been deemed essential by a majority of Canadians. Rather than working with an income-based poverty line, this method deems survey respondents who cannot purchase two or more items on the essential list to be experiencing material deprivation.

In 2013 Statistics Canada conducted a single iteration of such a survey and the results provided important insights into Canadian poverty. Insights that are hidden by the income-based poverty measure we rely on.

Rates of low-income in Alberta are the lowest in Canada, but they fail to recognize that one in ten Albertans cannot afford two or more necessities despite having an income above the poverty line.

The number of people who were defined as materially deprived can be compared to the number who were defined as having an income above or below a poverty line. The results show that people identified as experiencing material deprivation are not necessarily the same people who are identified as experiencing income poverty.

In the figure, the first stack of bars reports the percentage of Canadians identified as being in low income by a poverty line but not materially deprived (7.9%); the percentage identified as being in low income by a poverty line and being materially deprived (8.0%); and the percentage identified as not being in low income by a poverty line but identified as materially deprived (10.6%). These same measures are reported



Source: [Material Deprivation: Measuring Poverty by Counting Necessities Households Cannot Afford](#), based on the Canadian Survey of Economic Wellbeing, 2013.

for Alberta by the second stack of bars.

By these measures, a total of 18.6% of Canadians (and 16.3% of Albertans) experienced material deprivation in 2013. Of these, only two-fifths (or 8.0 per cent of Canadians) had incomes below the poverty line while three-fifths (10.6 per cent of Canadians) had an income above the poverty line.

The calculations reported in the figure need to be interpreted carefully as they rely on a specific poverty line and the calculations will vary by that definition. Details regarding the definitions of material deprivation and low income used in these calculations, and calculations for other population characteristics and provinces, are available [here](#).

A key result of these calculations is that they show one in ten Canadians (and Albertans) were materially deprived despite having an income above the poverty line. Statistics Canada's one-time experiment with measuring material deprivation provided important insights into poverty in our country. Making this a routine measure would assist in the development of more effective anti-poverty measures.