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Profiles of Low-Income Risk among Aboriginal Peoples

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Introduction

When we look at measures of income for the entire Aboriginal population, we find a pattern of relative disadvantage. For example, the median income for Aboriginal people aged 15 and over in the 2006 census was \$16,752, which was \$9,203 less than that of the non-Aboriginal population (Steffler and Street 2009b). However, not all subgroups within the population experience the same degree of inequality. Certain subgroups are relatively advantaged compared to other Aboriginal people or the general population. For example, Inuit women have been found to have higher average incomes and earnings than members of the non-Aboriginal population (Pendakur and Pendakur 2008). Aggregate comparisons of Aboriginal people versus non-Aboriginal people mask tremendous diversity within each population. In particular, the intersection of identity and other sources of social stratification shape how power, privilege, rights, responsibilities, and resources are distributed in society. This report examines how the risk of low income is stratified among Aboriginal peoples in friendship centre catchment areas.

Social Relations and Inequality

Research on relative wealth, whether in terms of income or poverty, has shown a reliable pattern of advantage and disadvantage along the lines of social class, age, gender, race, and ethnicity. Adults tend to be better off economically than youth or seniors, as are men in comparison to women, whites in comparison to minorities, and higher classes relative to lower ones (McMullin 2010). These socially defined characteristics are important because they define sets of social relations that are embedded in the social structure, which afford some groups better access to wealth and power and the means to produce both (Grabb 2007; McMullin 2010). As Grabb (2009) puts it, “Structured inequality involves a process in which groups or individuals with particular attributes are better able than those who lack or are denied these attributes to control or shape rights and opportunities for their own ends.” There is a wide range of explanations for income inequalities: labour-market segmentation; human-capital disparities; differential access to education, especially post-secondary education; level of job security; employment history; responsibility for unpaid labour; discrimination and alienation; and availability of and access to government transfers and social programs, to name a few. While we

often compare groups on the basis of one social status, the intersection of two or more can reveal patterns of compounding disadvantage (or advantage). In some cases, we find that two or more statuses normally associated with relative disadvantage, in combination, produce relative advantage. These anomalous findings help us to understand how certain groups create or take advantage of opportunities, overcome barriers, and change social relations. For example, while Aboriginal people without a university degree tend to be disadvantaged in the job market, between 1991 and 2001 the largest growth in Western Canada's job market was in jobs requiring a college diploma or apprenticeship certificate. Since Aboriginal people are more likely to have these credentials, they were uniquely positioned to take advantage of these opportunities (Luffman and Sussman 2007).

Aboriginal people are influenced by contemporary social structures that relate to race and identity, age, gender, and social class; however, there is an additional layer of complexity. Aboriginal people have, as a group, been disadvantaged by colonial practices and policies that expropriated traditional lands, imposed oppressive governance, and undermined culture and identity (Royal Commission on Aboriginal Peoples 1996a). However, experiences of colonialism and its outcomes were not the same across all groups of Aboriginal peoples. The intersection of pre-contact traditions and culture and colonialism resulted in groups settling in different geographic areas, having different levels of connection to non-Aboriginal society, and maintaining traditional ways of living to varying degrees.

Colonial policies have, in many cases, restructured traditional social relations. For example, while women and elders held esteemed positions within many First Nations, Métis, and Inuit communities, historical and contemporary policies have often undermined these roles. For example, with the passage of the *Indian Act* in 1876, women were denied the right to vote in band elections (Royal Commission on Aboriginal Peoples 1996b). In addition, how nations have proceeded with issues related to treaties, governance, land and resources, and economic development in the contemporary period have also shaped these profiles (Royal Commission on Aboriginal Peoples 1996c). As a result, we find differentiation in the demographic profiles of Aboriginal identity groups that correspond to different levels of low-income risk. It should also be noted that how we group Aboriginal peoples—as Métis, Inuit, and First Nations, which are subdivided into Registered and non-Registered, has its roots in colonialism and federal policy (Royal Commission on Aboriginal Peoples 1996b).

Low Income

The measures of low income used in this report are before-tax Low-Income Cut-Offs (LICOs). LICOs were developed by Statistics Canada to identify “an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter, and clothing” (Statistics Canada 2009a). While LICOs are often interpreted as measures of poverty, Statistics

Canada cautions that, in the absence of a widely accepted definition of poverty, LICOs should be used as a measure of relative economic disadvantage. LICOs are updated to reflect changes in spending patterns and adjust for inflation. They are based on economic family income, which refers to income from all family members who are related by blood, marriage, or adoption, and who live in the same household. LICOs have been calculated for seven different family sizes and five population sizes for area of residence. Those whose economic family income fails to reach the cut-off for the LICO for their family size and location are classified as low-income families (Statistics Canada 2009a). Low-income rates were calculated using data from the Survey of Labour and Income Dynamics (SLIDs) (Statistics Canada 2009a), which excluded residents of Canada's three territories, some institutions, and Indian reserves (Statistics Canada 2009b). These exclusions are important for interpreting the results of these analyses, particularly for Inuit who primarily live in Canada's territories (Gionet 2008) and Registered Indians, about half of whom live on-reserve (48%, $n = 623,780$) (Statistics Canada 2010). These results are, therefore, assessments of only select members of each group who may differ significantly from their counterparts in the North and on-reserve.

Research Questions

We can examine income according to dimensions of social stratification, such as identity group, age, gender, education, family or household structure, and region in order to better understand the dynamics that contribute to low-income risk. We can begin to build a profile of who is at highest risk of living in poverty and who fares relatively well compared to other Aboriginal people and/or the non-Aboriginal population. This report will address the following main research questions:

1. Which groups of Aboriginal people living in friendship centre catchment areas are most and least likely to have an income that falls below the LICO?
2. How is this risk stratified by age, gender, education, household structure, and region? How do the intersections of these factors ameliorate or compound advantage or disadvantage?

Data

The data for these analyses come from Statistics Canada custom tabulations of data from the 2006 census which are drawn from a weighted 20% sample of the population aged 15 and over residing in private households (Statistics Canada 2006). The sample for these analyses is comprised of individuals living in friendship centre catchment areas.¹ Income measures are presented for individuals and households in order to examine the stratification of income according to personal characteristics and family structure.

The measure of low-income risk used is the prevalence rate, which is calculated as the number of persons or households below the LICO divided by the total

number in the category. Income data are presented along different dimensions of stratification. The first is Aboriginal designation and identity group. Data are divided into Aboriginal (anyone who reported Aboriginal identity, being registered under the *Indian Act*, or being a member of an Indian band or First Nation) and non-Aboriginal persons. Those who identified as Aboriginal were categorized into two groups: those who are registered under the *Indian Act* (Registered Indians)² and those who are not (non-Registered Indians). Those who were not Registered Indians were categorized according to their identity group: North American Indian (referred to here as First Nations), Métis, Inuit, and multiple Aboriginal identities. One final group was identified—those who did not identify as Aboriginal but indicated they were a member of an Indian band or First Nation. The household designation was coded as Aboriginal if any person in the household reported Aboriginal identity, band membership, or Registered Indian status. Households in which no member indicated Aboriginal identity were coded as non-Aboriginal. The identity group to which members of Aboriginal households belonged was recorded as North American Indian (the term First Nations will be used in this report), Métis, Inuit, multiple Aboriginal identities, and mixed Aboriginal and non-Aboriginal in which at least one person in the household did not report Aboriginal identity.

Sex was divided into male and female. Age was categorized into four groups: 15 to 19 years, 20 to 29 years, 30 to 64 years, and 65 and over. Education was coded according to the highest certificate, diploma, or degree completed. Five groups were created: less than high school; high school diploma or equivalent; trade certificate or apprenticeship; college diploma or university certificate below the bachelor level; and university degree. Household type included couples without children; two-parent families; single or lone-parent families; multiple-family households (in which more than one economic family resided); persons living alone; and persons living with others to whom they were not related by birth, marriage or common-law status, or adoption.

Regional differences were also examined. The provinces have been grouped into the following socio-political regions: the Pacific Coast (British Columbia), the Prairies (Alberta, Manitoba, and Saskatchewan), Central Canada (Ontario and Quebec), and Atlantic Canada (Maritimes, and Newfoundland and Labrador).

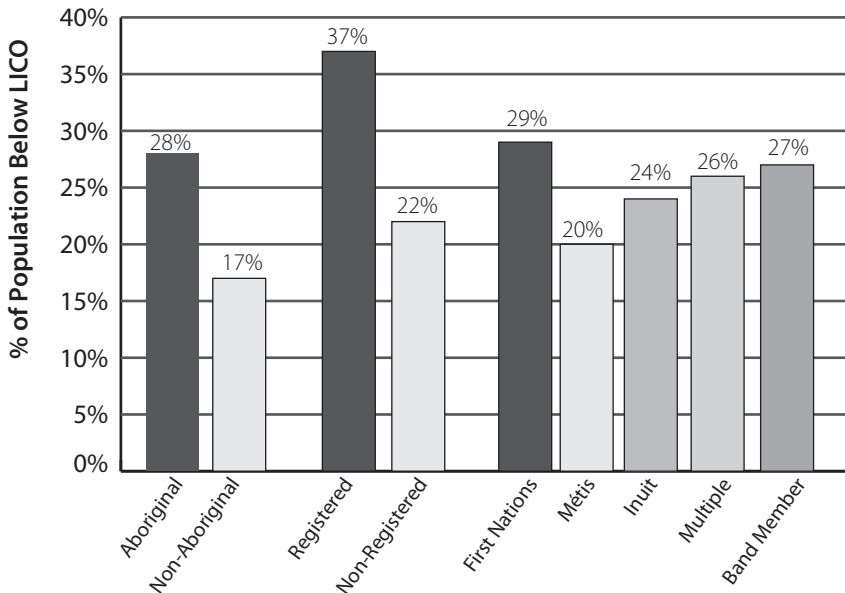
Results

Aboriginal Designation and Identity

Figure 5.1 on page 105 shows the before-tax prevalence of low income within each Aboriginal designation and identity group. The first two bars compare the prevalence of low income in the population ($n = 15,247,230$) for Aboriginals ($n = 374,050$), and non-Aboriginals ($n = 14,873,165$).³ While the non-Aboriginal prevalence rate is approximately 17%, the Aboriginal rate is 28%. Expressed as an odds ratio (*OR*),⁴ the Aboriginal population is nearly twice as likely to be low income than the non-Aboriginal population. When we look at prevalence

by Registered Indian status, we see that Registered Indians ($n = 148,730$) have a prevalence rate of 37%, while 22% of non-Registered Indians ($n = 225,330$) are low income. Among the identity groups that are non-Registered, First Nations ($n = 49,195$), those with multiple Aboriginal identities ($n = 2,280$), and individuals who were members of a band or First Nation, but did not report Aboriginal identity ($n = 1,585$), have a higher rate of being classified as low income (29%, 26%, and 27%, respectively), while Métis ($n = 168,055$) and Inuit ($n = 4,165$) have rates close to the average for non-Registered Indians (20% and 24% respectively). We can see that prevalence rates for all Aboriginal groups are higher than for non-Aboriginal people, but there is variability with First Nations, particularly Registered Indians, having the highest rates. While these results exclude those living on-reserve, Registered Indians tend to retain strong ties to reserve (Beavon, Wingert, and White 2009). Many engage in churn migration, in which they move between their home First Nations community and cities (Norris, Beavon, Guimond, and Cooke 2004). Poor socio-economic conditions and the remoteness of some of these communities may be contributing factors (White and Maxim 2007). First Nations have a lower average age than other Canadians, with the population on-reserve being younger than those living off-reserve (Gionet 2009). First Nations are also less likely to have a university degree or college diploma, and those living on-reserve had very low rates of post-secondary completion (Gionet 2009). In the next section, we consider how age may contribute to the prevalence of low income.

Figure 5.1: Prevalence of Low-Income by Aboriginal Designation and Identity



Age

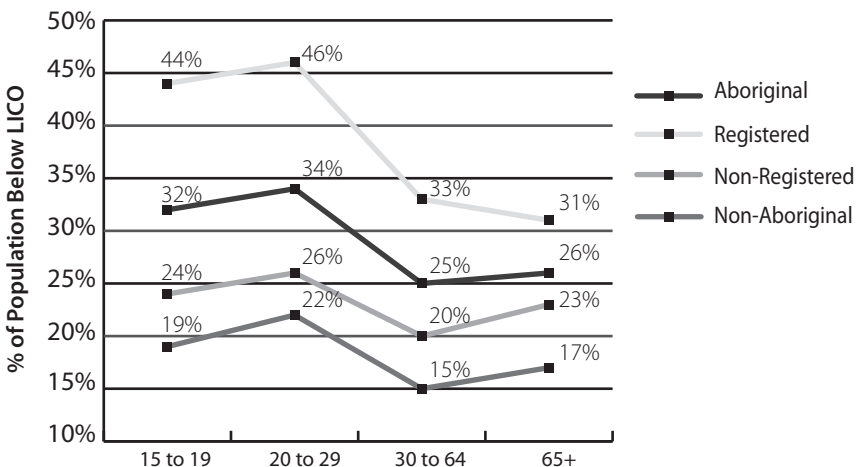
The Aboriginal population is relatively young compared to the non-Aboriginal population (Indian and Northern Affairs Canada 2007; Statistics Canada 2008b). Paid work is an essential mechanism of resource allocation in capitalist or market-based societies (Guppy and Hawkshaw 2009; McMullin 2010). It contributes the most to disparities since it is far more variable than most other sources of income, such as government transfer payments (Picot and Myles 2005).

Earnings income is age-graded with people in middle age tending to have the highest incomes because they have had time to attain post-secondary education or training and advance in their careers. Do we find that the prevalence of low income is explained by age? The age pattern for all groups is that rates of low income peak between 20 and 29 years and fall in mid-adulthood, with a slight increase in rates in old age (**Figure 5.2**, below).

Compared to the non-Aboriginal population, Aboriginal people are between 1.7 (among those aged 65 and over) and 2.1 (among those aged 15 to 19) times more likely to be low income. The odds ratios between Registered and non-Registered Indians range from 1.8 (aged 15 to 19) and 1.3 (among those aged 65 and over). When we compare Registered Indians to the non-Aboriginal population, Registered Indians are between 3.5 (aged 15 to 19) and 2.2 times (among those aged 65 and over) more likely to be low income.

These results show that the difference in the odds of being low income is largest among adolescents and smallest among seniors. Since people over the age of 65 tend to be retired (Turcotte and Schellenberg 2007), the narrowing gap suggests that income replacement programs aimed at seniors, such as Old Age Security (OAS), Canada Pension Plan (CPP), and Quebec Pension Plan (QPP),

Figure 5.2: Prevalence of Low-Income by Aboriginal Designation and Age



help to reduce disparities in low-income prevalence rates. However, they do not fully compensate for differences in employment and income histories that provide differential access to retirement income and savings. Gyimah, White, and Maxim (2004) found that only 46% of Registered Indians received CPP, compared to 85% of other Canadians. They speculate that the late participation of Registered Indians in CPP and lower earnings during working age contribute to lower CPP benefits.

Figures 5.3a (below) and **5.3b** (on page 108) examine low-income and age patterns by Aboriginal identity among non-Registered Indians. First Nations have among the highest rates of low income across age groups. Inuit, those with multiple Aboriginal identities, and members of bands who did not report Aboriginal identity have the most variability in rates by age. While Inuit experience a sharp drop in rates in middle adulthood (achieving a low-income rate equal to that of non-Aboriginals), there is a sharp spike among multiple identity persons in early adulthood. The sharpest increase in rates is among band members in old age. These results suggest that the relative youth of the Aboriginal population does not fully explain its higher rates of low income since disparities persist within age groups.

Education

Another potential explanation for disparities is that Aboriginal peoples tend to have lower educational attainment (Mendelson 2006; Richards 2008) and complete their education later in life than non-Aboriginal people (Hull 2005). This is especially true among women (Milligan and Bougie 2009). What role does education play, and is it patterned by age? **Figure 5.4** on page 108 shows how the

Figure 5.3a: Prevalence of Low-Income by Identity and Age

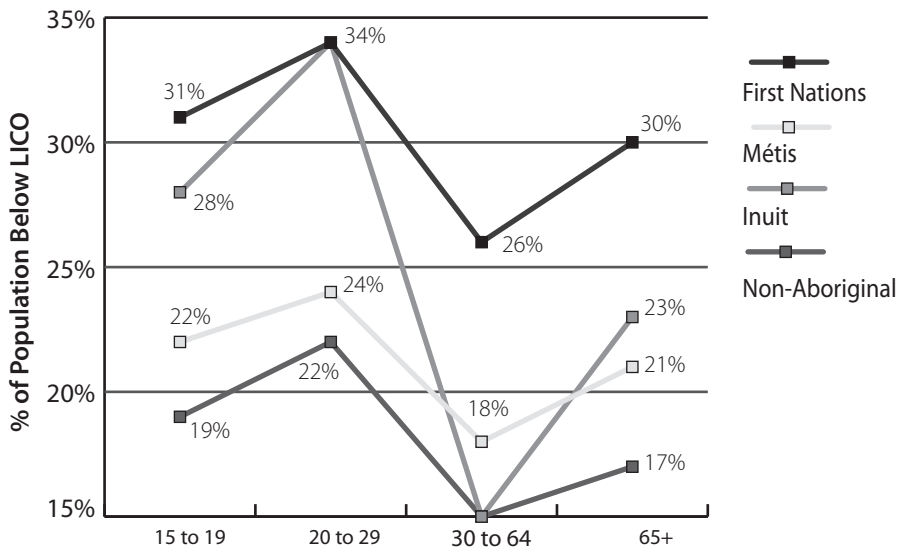


Figure 5.3b: Prevalence of Low-Income by Identity and Age

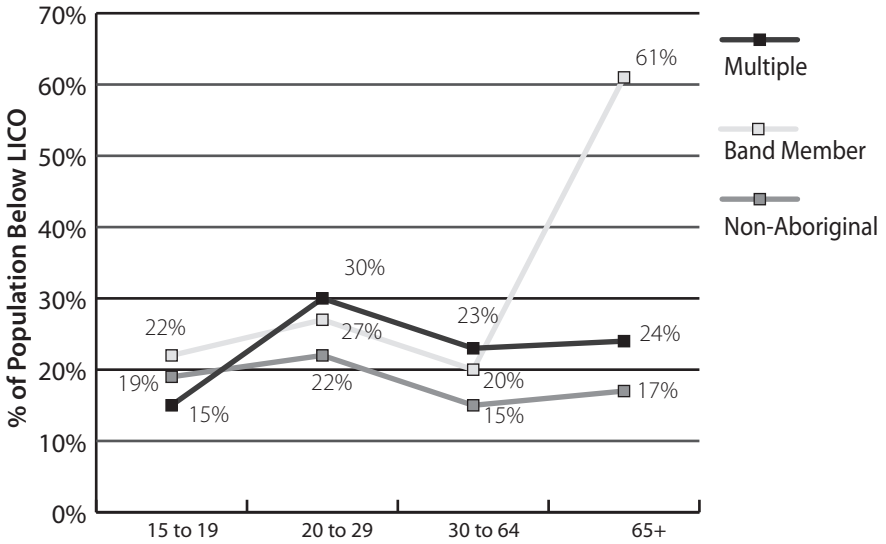


Figure 5.4: Prevalence of Low-Income by Aboriginal Designation and Education

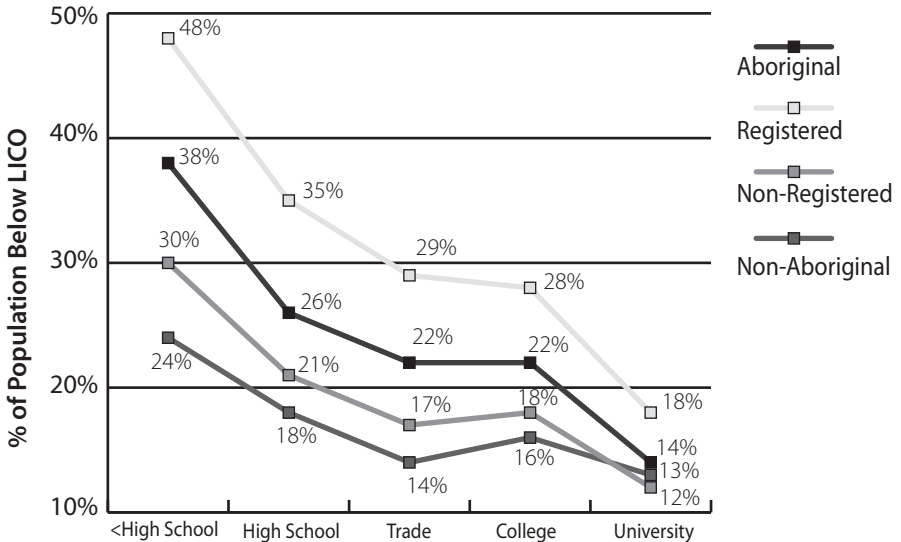


Figure 5.5a: Prevalence of Low-Income by Identity and Education

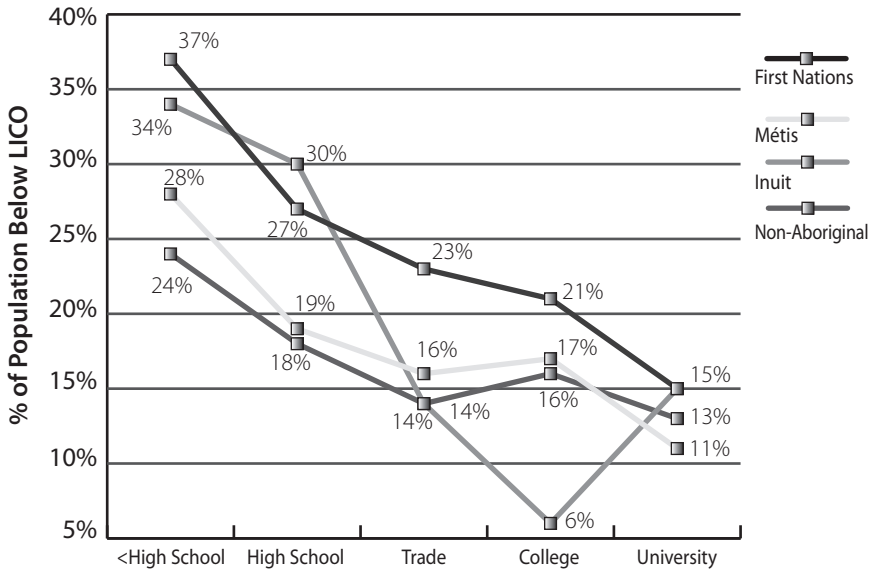
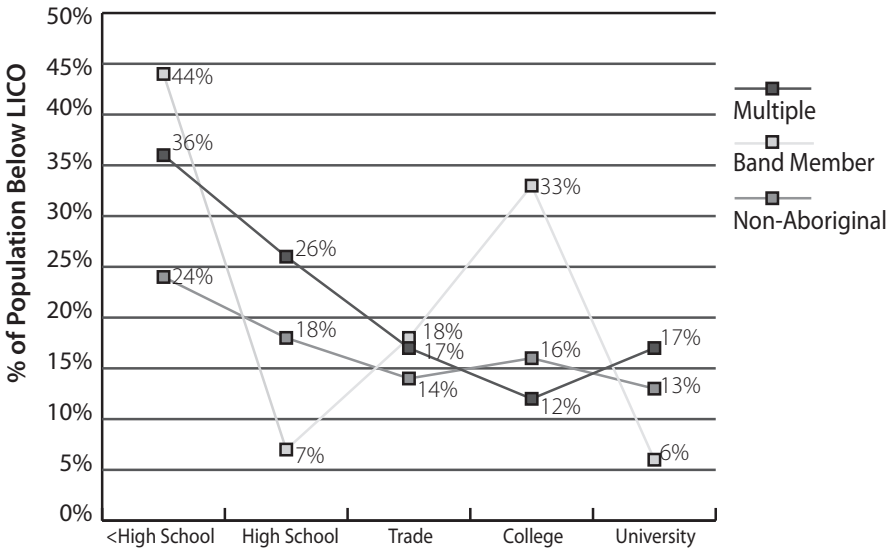


Figure 5.5b: Prevalence of Low-Income by Identity and Education

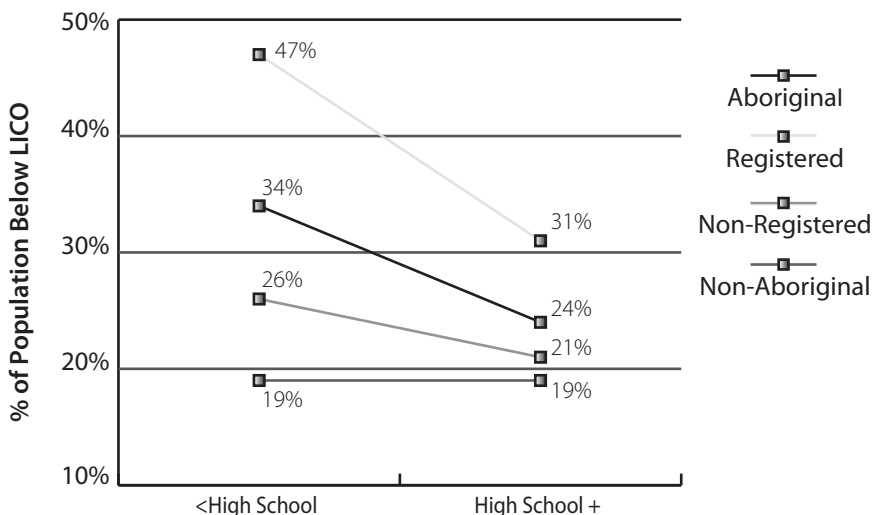


prevalence of low-income is distributed across education groups. For all groups, there is a general downward trend in the prevalence of low income as education increases. Again, we see that at each educational level Registered Indians have higher rates, while rates for non-Registered Indians are slightly above those of non-Aboriginals with the exception of the university degree level, where rates are actually lower. One important trend in these data is the narrowing gap at the university level. The results suggest that there are significant returns on university education among Aboriginal peoples, which has also been found by other researchers (see Walters, White, and Maxim 2004).

Low-income prevalence rates among identity groups are shown in **Figures 5.5a** and **5.5b** on page 109. Once again, the patterning is less clear. Of the three major identity groups, First Nations continue to have high low-income rates relative to their level of education. Métis have rates that come close to non-Aboriginals and dip below their level among university graduates. Post-secondary education dramatically decreases low rates among Inuit and those with multiple identities. The band member only category shows wide variation in rates with especially high rates among college graduates. The narrowing of the gap at the university level is evident in these data as well.

How does age factor into the relationship between low income, Aboriginal designation, and education? **Figure 5.6^s** (below) presents the results for the 15- to 19-year-old group. We can see that low-income prevalence rates drop between those who have completed high school and those who have not within each Aboriginal group. However, inequalities are still evident. For example,

Figure 5.6: Prevalence of Low-Income among 15- to 19-year-olds by Education



Aboriginal people who have completed high school have higher rates of low income than non-Aboriginal non-graduates. The alarmingly high rates among Registered Indians without high school suggest a double disadvantage.

Figure 5.7 (below) shows the same rates for those aged 20 to 29. Again, there are decreases in low income within the group as education increases; however, there are significant between-group disparities. Registered Indians continue to have relatively high rates of low income within their educational category (between 1.4 and 2.1 times higher than the non-Aboriginal population), while non-Registered Indians have rates similar to non-Aboriginals at the high school and post-secondary levels. The returns on higher education are also lower; Registered Indians with a university degree have higher rates of low income than the non-Aboriginal population with a high school diploma.

Figure 5.8 on page 112 presents the data for individuals aged 30 to 64. This life stage is an important one because, for most people, it represents the peak period in terms of earnings. At all levels of education, Registered Indians continue to have the highest rates of low income. However, the gap between groups is lowest among university graduates with non-Registered Indians having rates slightly below the rate for non-Aboriginals. The largest disparity is among high school non-graduates, with Registered Indians being almost two times and non-Registered Indians being nearly one and a half times as likely to be low income compared to the non-Aboriginal population.

Among older adults, the disparities between educational levels are less dramatic, but still reflect differences in income related to Aboriginal designation

Figure 5.7: Prevalence of Low-Income among 20- to 29-year-olds by Education

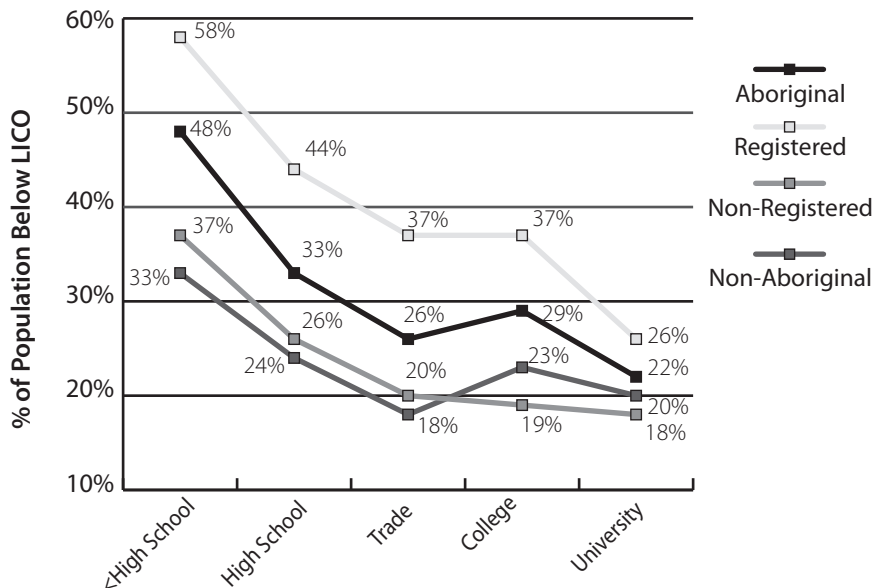


Figure 5.8: Prevalence of Low-Income among 30- to 64-year-olds by Education

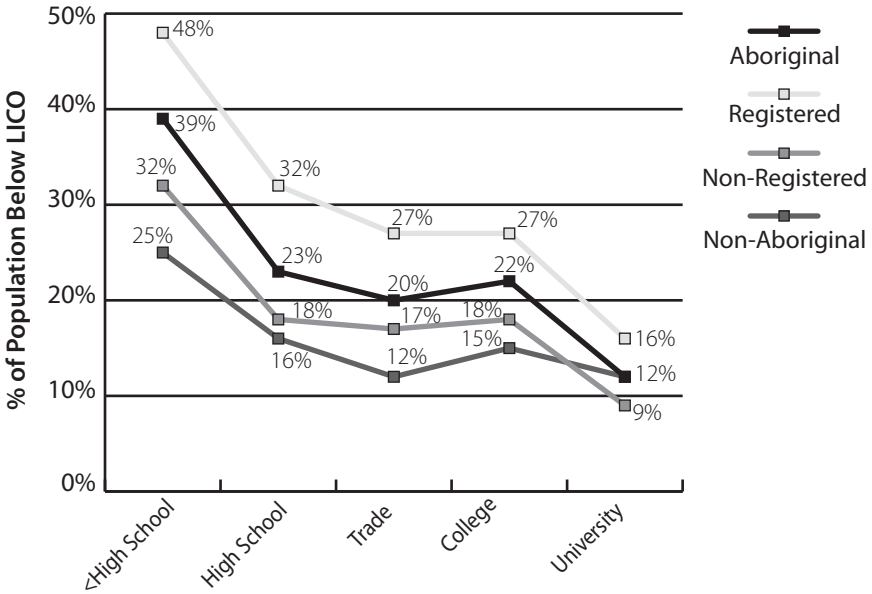
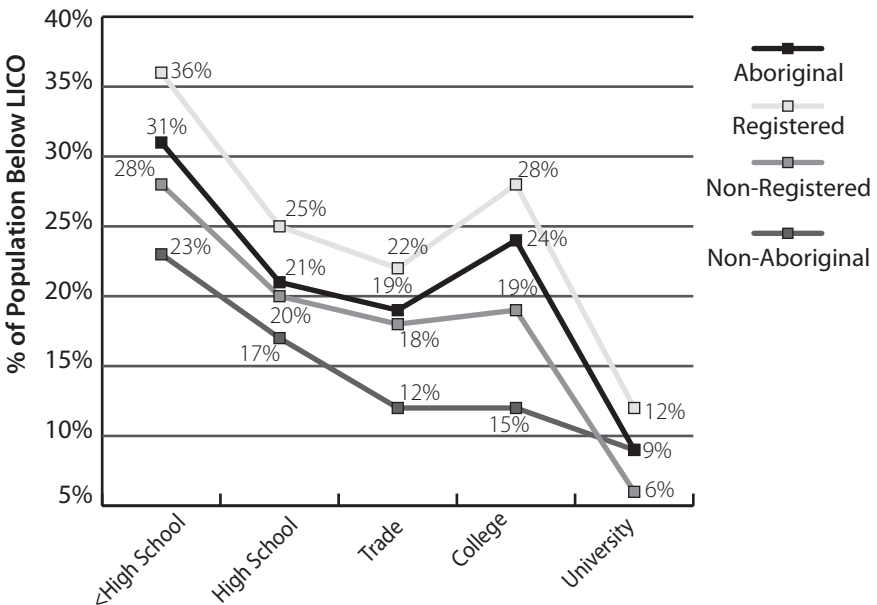


Figure 5.9: Prevalence of Low-Income among those 65 Years and Older by Education



and registration status (**Figure 5.9** on page 112). Registered Indians have the highest prevalence of low income in each educational group. Once again, we see the income advantage among non-Registered Indian university graduates, who have the lowest rate.

The results by education and age suggest that while the general age-graded income pattern is found among Aboriginal peoples, the low-income prevalence rates are higher than they are among the non-Aboriginal population, with a few important exceptions. Education plays a key role in the patterning of low income by age. Young people without a high school diploma face especially high rates of low income because they are likely to qualify only for entry-level jobs in low-paying sectors of the economy, and are more likely to be unemployed (McMullin 2010). Across adulthood, non-Registered Indians with a university degree find themselves in a niche labour market that appears to afford them favourable income opportunities relative to other groups. Interestingly, college does not have as big an effect as university credentials. First Nations who are registered under the *Indian Act* face a greater risk of being low income across the age and education spectrum.

Gender

In general, women tend to have lower incomes than men (McMullin 2010). However, in some cases, women may be relatively advantaged in ways that should afford them higher incomes. For example, Aboriginal women have higher average levels of education compared to Aboriginal men (Hull 2005), but does this lead to a lower prevalence of low income? Within each group, women have a higher prevalence of low income compared to men (**Figure 5.10** on page 114). The disparity between women and men was lowest among non-Aboriginals ($OR = 1.23$) and highest among Registered Indians ($OR = 1.36$). However, disparities between Aboriginal and non-Aboriginal people of the same gender are much larger. When we compare the gender odds ratio between Aboriginal and non-Aboriginal people, we see that Aboriginal women are more than twice as likely to have low incomes compared to non-Aboriginal women, and Aboriginal men are nearly twice as likely to have low incomes than non-Aboriginal men. When we compare Registered Indians to the non-Aboriginal population, we find that Registered Indian women are three times more likely to be low income than non-Aboriginal women, and Registered Indian men are almost three times more likely than non-Aboriginal men. Between non-Registered Indians and non-Aboriginal people the differences are smaller—1.50 for women and 1.36 for men.

Figure 5.11 on page 114 shows rates by identity group. Again, in every group, women have higher rates of low income than men. The gender disparity is smallest among First Nations ($OR = 1.15$) and those with band membership only ($OR = 1.18$). It was largest among Inuit ($OR = 1.60$) and Métis ($OR = 1.44$). There is also evidence of larger intra-gender disparities. Among women, the largest difference compared to the non-Aboriginal population was between

Figure 5.10: Prevalence of Low-Income by Aboriginal Designation and Gender

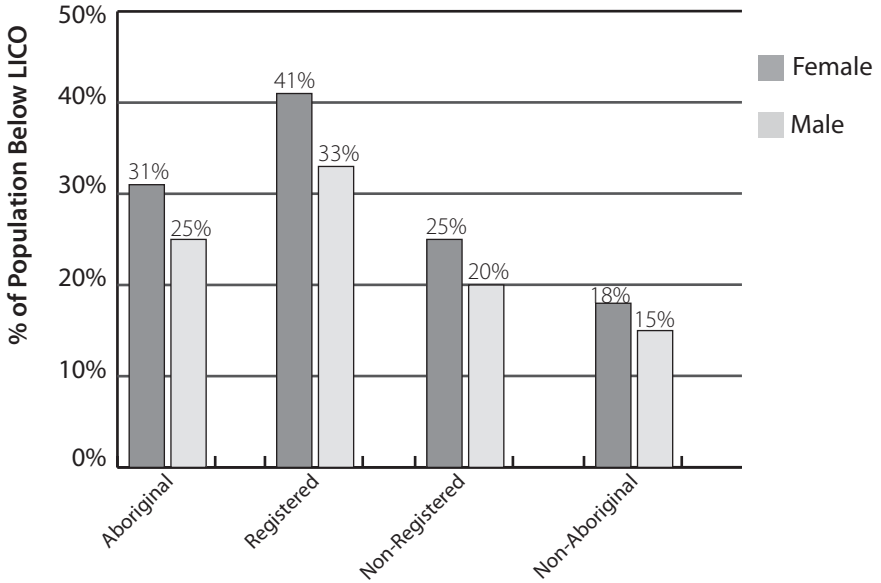
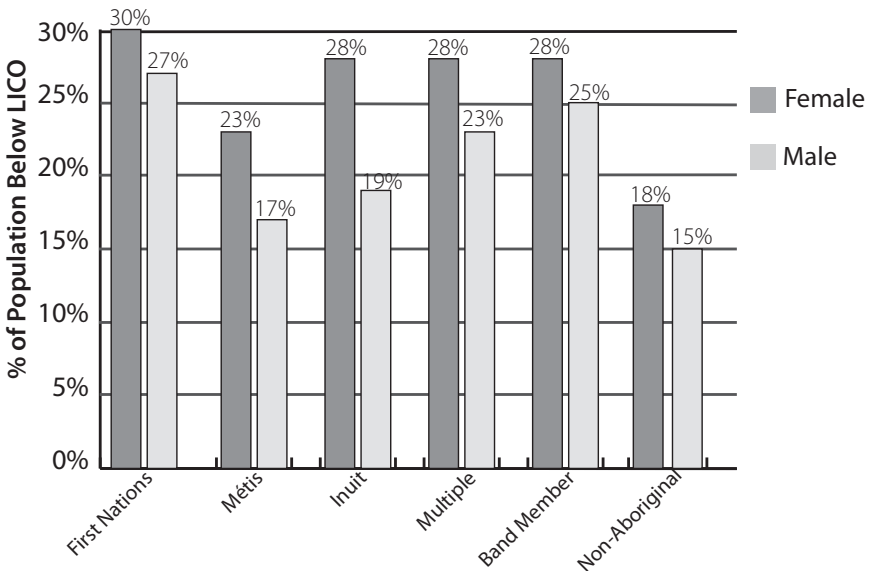


Figure 5.11: Prevalence of Low-Income by Identity and Gender

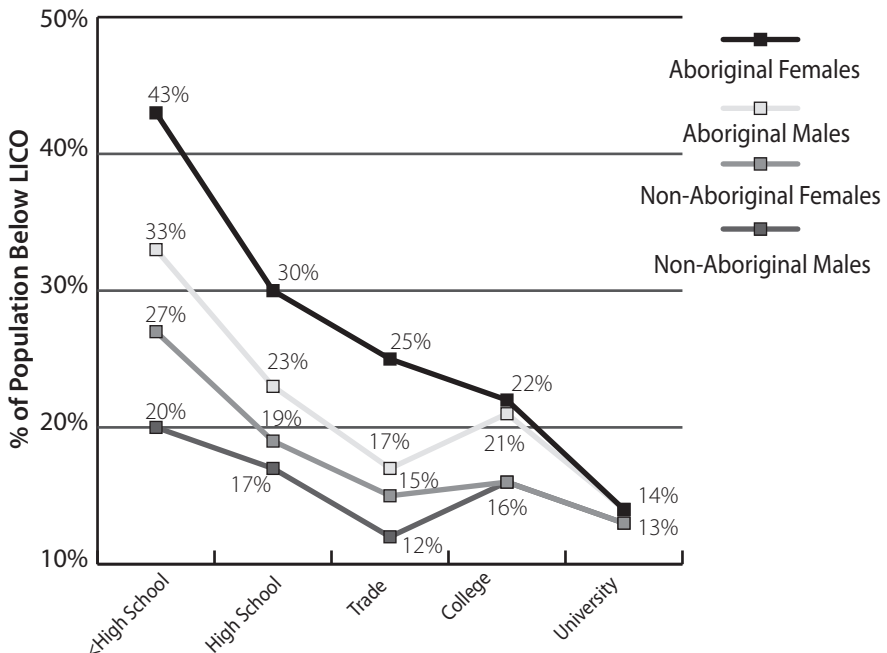


First Nations ($OR = 1.97$), followed by band members ($OR = 1.78$), multiple identity ($OR = 1.77$), Inuit ($OR = 1.73$), and Métis ($OR = 1.37$). For men, the differences compared to non-Aboriginals were largest among First Nations ($OR = 2.09$), band members ($OR = 1.86$), multiple identity ($OR = 1.65$), Inuit ($OR = 1.33$), and Métis ($OR = 1.16$).

How does educational attainment affect relative deprivation by gender? **Figure 5.12** (below) shows how gender and education contribute to low income among Aboriginal and non-Aboriginal people. It is evident that even though Aboriginal women have, on average, higher educational attainment than Aboriginal men, they are also more likely to have an income below the LICO compared to men and non-Aboriginal women with the same level of education (except at the university level). These results also suggest that university education levels the risk of low-income for both gender and Aboriginal designation. While Aboriginal men do well relative to Aboriginal women, they have higher rates of low income compared to both non-Aboriginal women and men with the same level of education.

When we examine the data for Registered and non-Registered Indians (**Figure 5.13** on page 116), we see that Registered Indian women have the highest low-income rates below the college level. Non-Registered Indian women have a lower prevalence compared to Registered Indian men, but are at greater risk

Figure 5.12: Prevalence of Low-Income by Aboriginal Designation, Gender, and Education



compared to non-Registered men, except among university graduates. Similarly, non-Registered Indian men have low-income levels comparable to non-Aboriginal women, but lag behind non-Aboriginal men. The levelling effect among university graduates is seen in this group as well.

Figures 5.14a and 5.14b on page 117 look at the non-Registered identity groups⁶ by education for females and males, respectively. First Nations women have the highest low-income rates except among university graduates, where their rates are close to those of non-Aboriginal men and women. Among high school non-graduates, Aboriginal women are twice as likely to be low income as non-Aboriginal men. Among males, First Nations men have disproportionately high rates that are not reduced with higher levels of post-secondary education. Inuit men with a trades certificate have the lowest levels of low income, followed by Inuit women with college; however, these results should be interpreted cautiously since the cell sizes were relatively small.

Unexpectedly, Inuit women with university educations have relatively high rates of low income. High fertility rates make the Inuit the youngest of all the Aboriginal identity groups. They also have a relatively high rate of families headed by lone mothers (Gionet 2008). It may be that Inuit women’s child-rearing responsibilities do not allow them to work full-time or in professions that are more time-intensive and less flexible. Inuit persons living in the south may be further from family and community supports that would enable them to juggle the demands of work and family. It may also be that Inuit women in the south find themselves in job markets in which university-level qualifications are more

Figure 5.13: Prevalence of Low-Income by Registration Status, Gender, and Education

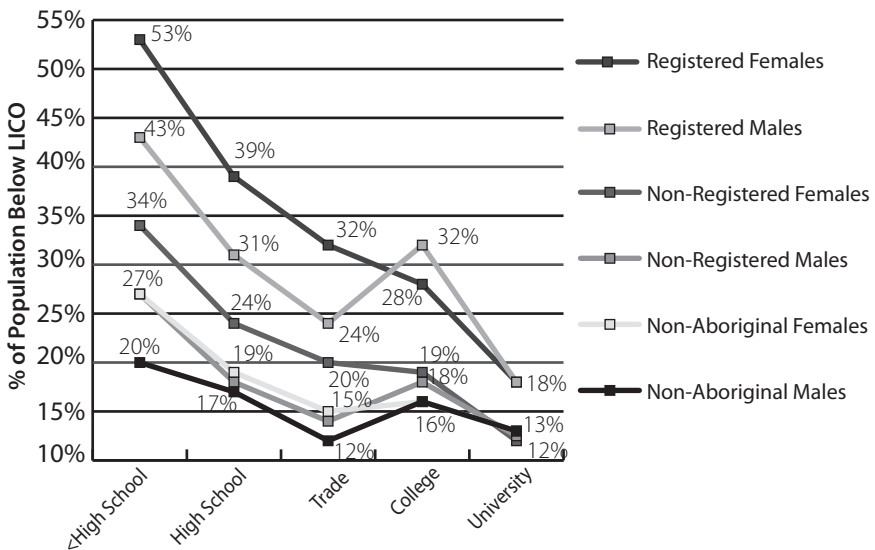


Figure 5.14a: Prevalence of Low-Income by Identity and Education among Females

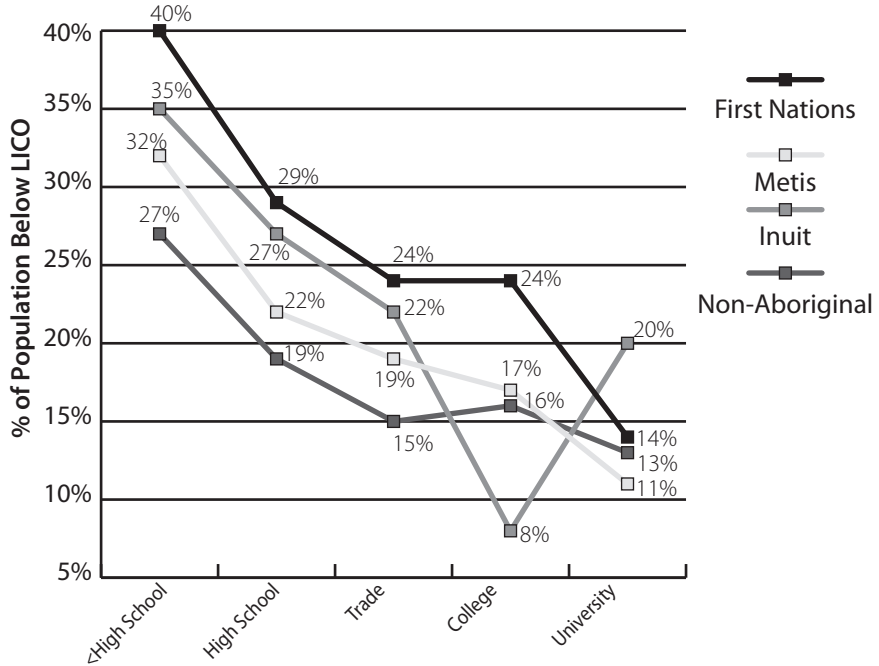
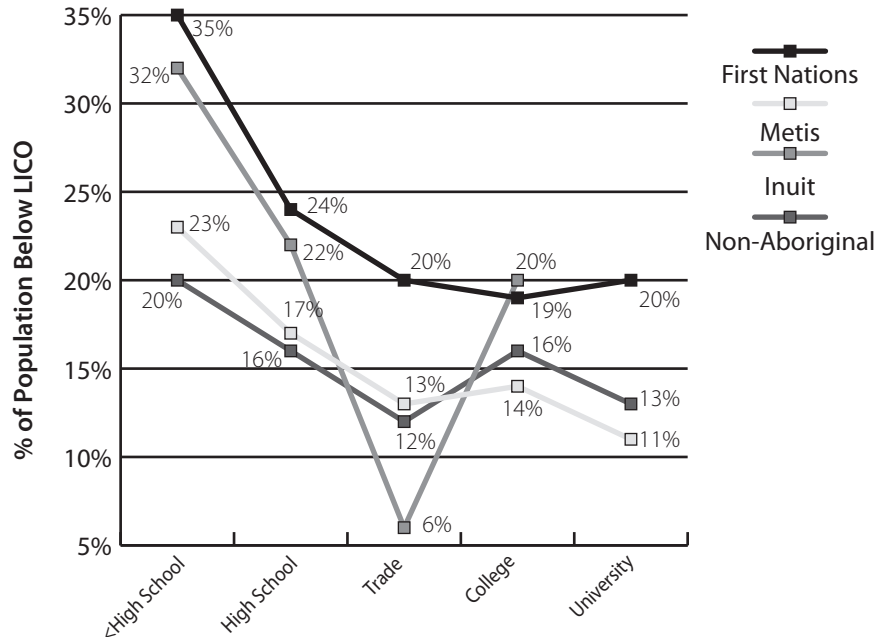


Figure 5.14b: Prevalence of Low-Income by Identity and Education among Males



commonplace compared to their counterparts in the North. Métis women have higher rates of low income compared to non-Aboriginal women, but lower rates than First Nations women. Métis men have rates that are close to, or lower than, those of non-Aboriginal men. With the exception of First Nations men and Inuit women, the levelling effect of university education is evident once again.

Household Structure

While personal characteristics affect how income is distributed at the individual level, economic well-being is also related to how income is pooled at the family or household level. For example, a person with no income who is married to or living in a common-law relationship with a high-earning person shares the economic benefit (although perhaps not equally). The presence of children also matters, since in modern capitalist societies, children are economically dependent on their parents (McMullin 2010). Individuals who live together, but are not related by marriage, blood, or adoption, often do not share their income, but do share household expenses, which increases affordability. Data from the 2006 census show that living with both parents is the most common arrangement among Aboriginal (58%) and non-Aboriginal children (82%). However, Aboriginal children are more likely to live with only one parent (35%) compared to non-Aboriginal children (17%). Aboriginal children are also more likely to live in multiple-family households (Statistics Canada 2008a). How does household structure influence the risk of low-income?

Figure 5.15a on page 119 displays household low-income rates by family type for First Nations, Métis, mixed Aboriginal identity,⁷ and non-Aboriginal households. The figure shows that for all identity groups, single-parent families and individuals in non-families, whether living alone or with others, experience disproportionate rates of low income. The presence of a spouse or partner, or another family with whom to pool income and divide expenses, is a key determinant of economic advantage.

When we compare Aboriginal families to non-Aboriginal families with the same structure, we see that First Nations and mixed families are significantly more likely to experience economic disadvantage. For example, First Nations single parents have more than two and a half times greater odds of being low income compared to non-Aboriginal single parents. Those who live alone have more than one and a half times higher odds of being low income. While couples with and without children fare better, their odds are still close to one and a half times higher. Mixed households have the highest rates of low income among single parents (66%). Métis families are better off than First Nations families and, in some cases, non-Aboriginal families. For example, Métis couples, two-parent families, multiple families, and unrelated persons living together have lower odds of being low income compared to the non-Aboriginal population with the same household structure (*OR* range from 0.65 to 0.93). However, Métis single parents are almost twice as likely to be low income as non-Aboriginal single

parents ($OR = 1.86$). The cell sizes for Inuit and other Aboriginal⁸ households were relatively small and, therefore, should be interpreted with caution (**Figure 5.15b**, below). Overall, Inuit families had low rates compared to others in the same category. For example, among persons living alone, the Inuit rate was 27%, while non-Aboriginal people had a rate of 34%. None of the 425 Inuit couple households were low income, while 4% of two-parent ($n = 1,090$) and 4% of lone-parent families ($n = 365$) were. There may be a selection effect at work since northern Inuit communities are not included in this sample. Other Aboriginal households also had lower rates compared to the other groups, including non-Aboriginals; however, the difference was much smaller than among Inuit households (ranging from 3% to 5% below the non-Aboriginal rate), except among unrelated persons living together.

Figure 5.15a: Prevalence of Low-Income by Identity and Household Type

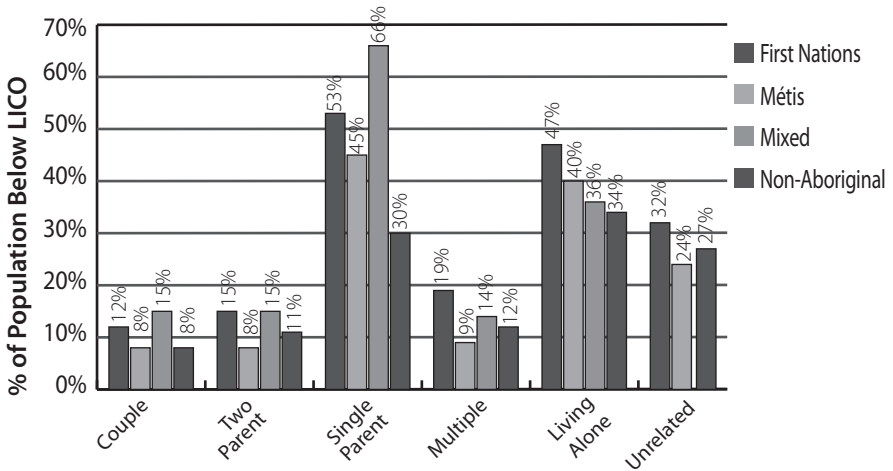
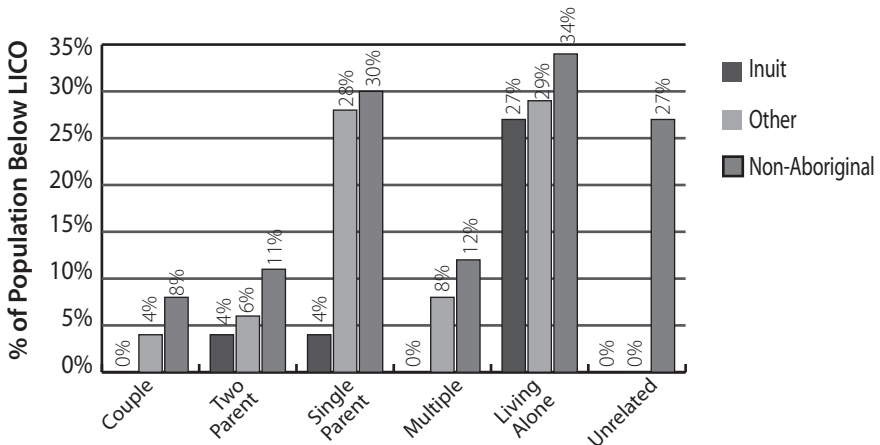


Figure 5.15b: Prevalence of Low-Income by Identity and Household Type



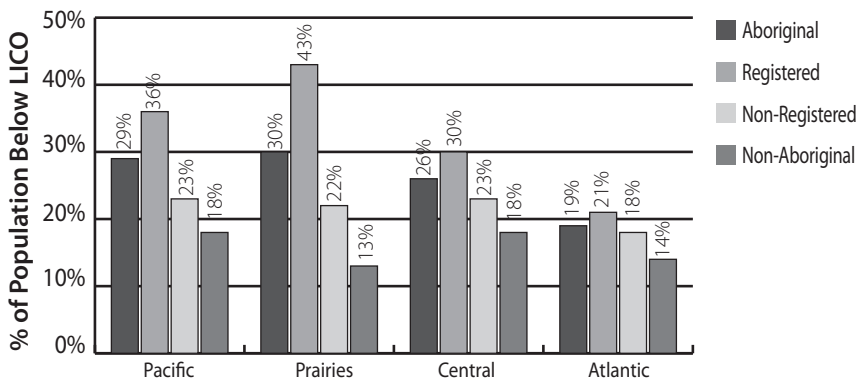
Regional Differences

Canada's regions have different populations, resources, and industrial structures that create economic and social disparities. There are a number of explanations that have been proposed to explain these differences. One is that there are differences in resources and the infrastructure to support the development of these resources. Another is that some regions are underdeveloped because of lack of integration with markets, investment in physical and human capital, and development of new technologies. A final explanation is that economic centres drain resources from peripheral areas without reinvestment (Corrigan-Brown and Wien 2009). How is the prevalence of low income related to regional profiles?

Figure 5.16 (below) shows prevalence rates by Aboriginal designation or identity and region. While Registered Indians have the highest rates in all regions, the disparities are especially large in the West. For example, Registered Indians living on the Prairies have more than five times higher odds of being low income than non-Aboriginals, whereas the same odds ratio in the Atlantic is less than two. While non-Registered Indians fare better than Registered Indians, disparities compared to non-Aboriginals are also largest on the Prairies ($OR = 1.93$).

Figure 5.17 on page 121 shows regional differences by identity group among non-Registered Indians. Inuit in the Pacific region have almost six times higher odds of being low income than Inuit in the Atlantic ($OR = 5.85$). First Nations have the highest low-income rates in the Prairie and Pacific regions, and the lowest rates in Atlantic Canada. Métis generally have lower rates compared to First Nations, and there is less regional variation. Among those with multiple Aboriginal identities, the highest rates of low income are found in the Pacific region, followed by the Prairies, Central, and Atlantic Canada, respectively. Respondents who indicated band membership but not identity had very high numbers below the LICO in Central Canada compared to other regions.

Figure 5.16: Prevalence of Low-Income by Aboriginal Designation and Region



Since provincial policies regarding benefits to families vary by province, **Figure 5.18** (below) examines how low income is regionally distributed among Aboriginal and non-Aboriginal families. The comparative disadvantage to Aboriginal families on the Prairies is evident since they have low-income rates that are double those of their non-Aboriginal counterparts. On the other hand, Aboriginal families living in the Atlantic region tend to fare better than their counterparts in other parts of the country, and relative to non-Aboriginal people in the same region. In the Pacific and Central regions, couples and two-parent families do relatively well compared to non-Aboriginal people. Aboriginal single parents have almost twice the odds of being low income (*OR* = 1.92 in the Pacific region and 1.89 in Central region).

Figure 5.17: Prevalence of Low-Income by Identity and Region

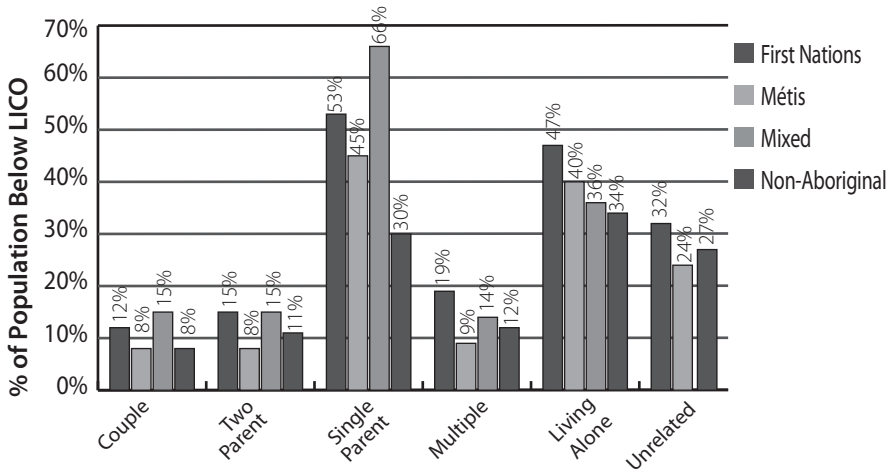
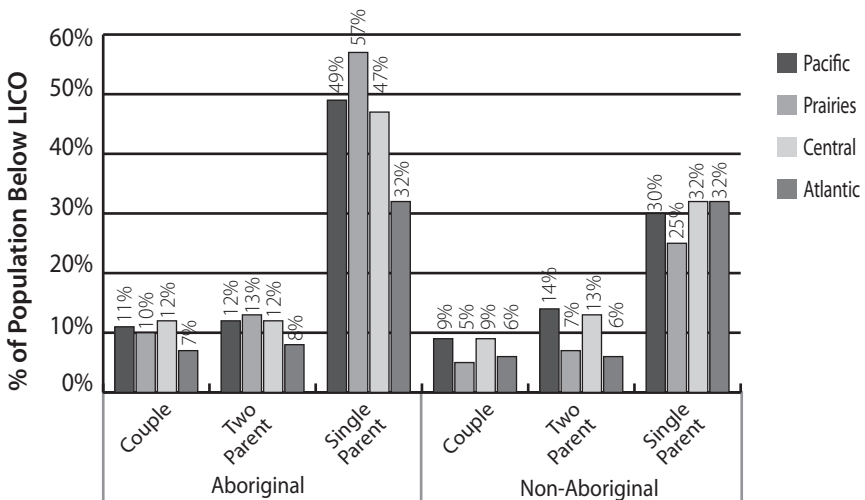


Figure 5.18: Prevalence of Low-Income by Aboriginal Designation, Family Type, and Region



Conclusions and Discussion

The sample used in these analyses represents a select group—those who live in relatively close proximity to an urban centre. Despite the exclusion of those who live in the most isolated and remote regions, there are still significant disparities in the risk of low income. The results suggest that the risk of being low income among Aboriginal peoples is stratified by age, education, gender, household structure, and region in ways that are generally similar to non-Aboriginal people. Among Aboriginal people, the risk of low income is age-graded, with relatively high rates among youth, which increase in early adulthood before decreasing in middle adulthood and remaining fairly stable into old age. There are also disparities between men and women within each group that contribute to a greater low-income vulnerability among women. Within households, it is clear that having others, particularly a spouse or partner, with whom to pool resources and share expenses greatly reduces the likelihood of being low income. Single parents, who have the added economic responsibility of providing for children without the additional resources provided by a spouse, bear the greatest low-income burden.

Regionally, Aboriginal peoples in the West tend to have the highest rates of low income, while those in Atlantic Canada have the lowest. A study by Pendakur and Pendakur (2008) found that economic outcomes were poorer in cities with larger Aboriginal populations, contrary to findings for census-identified ethnic minority groups. Given that the majority of Aboriginal peoples live in the Western provinces (Steffler and Street 2009a), this dynamic may be at work regionally as well. However, while these patterns are fairly stable across groups, the actual rates of low income vary by Registered Indian status and identity. First Nations, particularly those with Registered Indian status, are at significantly higher risk of being low income. This finding suggests that the benefits available to Registered Indians vis-à-vis the *Indian Act* do little to offset other sources of disadvantage.

Maxim, White, and Beavon (2003) found greater income inequality among Inuit and Registered Indians, which they argue is only partially attributable to geography and socio-spatial isolation. This study indicates that the pattern holds for the population living in or close to urban centres as well. Among Aboriginal peoples, Métis are, on average, relatively advantaged. There is tremendous variability in low-income rates among Inuit depending on other social statuses, particularly age and education. It is important to note that these analyses exclude Inuit in the North, which is the majority (Gionet 2008). In particular, Inuit living in the south tend to have higher educational attainment (Penny 2009). Inuit who live outside of the North also tend to live in urban areas (76%) (Gionet 2008), which may provide better economic opportunities. The age and education patterns among those who were members of a band or First Nation, but did not report identity, deviated significantly compared to other groups. Little is known about these individuals in order to contextualize these results.

There is also evidence of processes of cumulative disadvantage. For example, to be a Registered Indian young adult or female without a high school diploma places one at very high risk of economic disadvantage. Registered Indian women have been found to have the lowest labour-force participation rates compared to other Aboriginals and non-Aboriginals. These findings are concerning given that other research has found Aboriginal peoples as a group to be more likely to experience persistent (as opposed to transient) poverty (Picot and Myles 2005). Those who have multiple sources of disadvantage may be at greatest risk of remaining low income for long periods of time.

Processes of cumulative advantage were also apparent. University education emerged from these analyses as the key factor in reducing disparities by Aboriginal designation and identity across age groups and between genders. It appears to create a niche labour market, which provides economic opportunities that are equal to or greater than those of the non-Aboriginal population. Walters and colleagues (2004) found that, after controlling for socio-demographic characteristics and type of post-secondary education, Aboriginal people earned more than both non-visible minorities and visible minorities. White and colleagues (2003) found that education had a greater effect on labour-force participation rates among Aboriginal women, compared to non-Aboriginal women.

The key question to be answered is: What contributes to these disparities, and how do we begin to close gaps? The potential explanations examined in these analyses are not sufficient to explain disparities among Aboriginal peoples, and between Aboriginal and non-Aboriginal people. Differences in the risk of falling below the LICO are not fully attributable to differences in age, education, family structure, or region, since disparities are found within these categories. Others have reported similar results. Market-based income is a critical factor in determining income level. For example, the lowest income quintile receives only 2.1% of all income, while those in the highest quintile get more than half. Government transfers and taxes shift these percentages marginally to 4.7% and 44%, respectively (Urmetzer and Guppy 2009). Using 2001 census data from individuals aged 25 to 65, Pendakur and Pendakur (2008) found that Aboriginal men and women had significantly lower earnings⁹ and total income¹⁰ compared to non-Aboriginal persons with similar socio-demographic, geographic, and educational characteristics. In addition, the size of the proportionate earnings gap is 10% to 20% between women and 20% to 50% between men. Even within the Aboriginal population, there were differences based on identity or ancestry group.

Registered Indians had, on average, the lowest earnings, followed by those with Aboriginal identity and ancestry, respectively. Even when only Aboriginal people living in urban centres are considered, Registered Indians continue to have significantly lower incomes. The authors conclude that government transfer payments do little to address these disparities, since the pattern holds when total income, as opposed to employment earnings, is considered (Pendakur and Pendakur 2008).

Life course approaches to inequality enable us to understand how processes that contribute to advantage or disadvantage develop over time and are situated within social context and historical period (Cooke 2009). There is little question that different pathways related to education, occupation, and labour-force participation contribute to relative risk of being low-income. These trajectories, in turn, are influenced by a host of factors such as family responsibilities, geography, health, and socio-economic status. We know, for example, that Aboriginal peoples are more likely to complete their education later in life (Clement 2009; Hull 2005; Wilk, White, and Guimond 2009). The disadvantage of this pattern is that longer periods of time will likely be spent in lower-paying occupations, and there will be less time to advance in careers for which higher levels of education are required.

This has implications for lifetime earnings and savings and public and private pension contributions. There are differences among Aboriginal peoples in terms of the likelihood of being employed. Inuit (when those in the North are included) are the most likely to be employed, followed by Métis, and First Nations; however, all are less likely to be employed than non-Aboriginal people (Ciceri and Scott 2006). The factors that influence the likelihood of employment are the same for Aboriginals and non-Aboriginals. Those with higher levels of education are more likely to be employed, as are men, those in urban areas, and those who have lived in the same place for at least a year. Lone parents are less likely to be employed, although the impact was smaller among Aboriginals than non-Aboriginals (Ciceri and Scott 2006). Kapsalis (2006) found that education explained the largest part of the occupation and wage gap between Aboriginals and non-Aboriginals; however, it left a large proportion of the variance unexplained, particularly with respect to wages (Kapsalis 2006).

In terms of occupational class structure, Aboriginal peoples tended to be overrepresented among “workers,” who have the lowest levels of ownership or control over capitalist processes. However, there were gender and identity group differences in the likelihood of falling into the “worker” category, with men and First Nations being more likely compared to women and other identity groups, respectively (Liodakis 2009). Life course approaches also highlight the importance of context, which suggest that dynamics related to being on-reserve versus off-reserve, urban versus rural versus remote, and north versus south may shape life choices and chances.

Policy and Service Delivery Implications

The results of these analyses suggest that services developed to aid Aboriginal peoples with low incomes are well founded and, given persistent income disparities, need to be increased. These data support targeting policies and services to certain groups that are more likely to experience poverty: Registered Indians, youth and young adults, women, individuals without a high school diploma, and single-parent families. While these data did not allow analysis of migration patterns and the risk of low income, the high rates among Registered Indians,

who tend to retain ties to their home First Nations communities, suggest that recent migrants to cities require assistance in accessing resources related to jobs, education, and income-assistance programs. While single-parent families have high rates of low income, those who become single parents at younger ages and with less education are at much higher risk of being low income (Fleury 2008). Single parents who were never married may also be less likely to receive child support because no formal process is required to dissolve the relationship, which is not the case with married partners. In addition, given that women tend to have lower incomes, families headed by lone mothers are also at greater risk (Fleury 2008). There are also important regional variations that warrant targeted programs to help the specific groups that live there with the particular challenges they face.

While improvements to income-replacement programs, such as social assistance, are needed to reduce income instability and depth of poverty (Morissette and Ostrovsky 2007), it is labour-market income that contributes the most to income inequality (Urmetzer and Guppy 2009). Programs that aim to improve educational attainment among Aboriginal peoples should be a priority, since higher education is related to improvements in market-based income, labour-force participation, and occupational status (Ciceri and Scott 2006; Hull 2005; Kapsalis 2006; Walters, White, and Maxim 2004; White, Maxim, and Gyimah 2003).

Endnotes

- 1 Friendship centre catchment areas include the Census Subdivision (CSD) in which a friendship centre is located, plus one ring of CSDs around it for high population density southern regions. In northern and low-density areas, catchments are defined by a 50-kilometre radius from the friendship centre. (National Association of Friendship Centres and Indian and Northern Affairs. 2008. "National Association of Friendship Centres: Informing program and service needs of Aboriginal populations through a geographic approach.")
- 2 Registered or Status Indians "are people who are registered with the federal government as Indians, according to the terms of the *Indian Act* ... Status Indians have certain rights and benefits that are not available to non-Status Indians or Métis people. These may include on-reserve housing benefits, education, and exemption from federal, provincial, and territorial taxes in specific situations" (Indian and Northern Affairs. 2003. "The Indian Register." Author.)
- 3 Counts may not add up to totals because of rounding and suppression of cells with very few cases.
- 4 Odds were calculated for each group as probability low income divided by probability not low income. The odds ratio is the odds for group A divided by the odds for group B.
- 5 Due to the large number of zero cells in the data set, the categories have been collapsed into less than high school (< High School), and high school and post-secondary (High School +).
- 6 Multiple Aboriginal identity and member of an Indian band or First Nation have been excluded because of small population counts and zero cells.
- 7 Mixed Aboriginal identity households include those in which: (a) at least two members report Aboriginal identity, but belong to different identity groups (e.g., person A is First Nations and person B is Métis); (b) at least one member reports having multiple Aboriginal identities; and (c) at least one person reports Aboriginal identity and at least one does not.
- 8 Other Aboriginal households include those in which at least one adult reported band membership or Registered Indian status but did not report Aboriginal identity.
- 9 Earnings data included all wages and salaries for individuals who worked for someone else and for which employment income was their primary income source.
- 10 Total income includes income from all sources, including employment, self-employment, investments, and government transfers.

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