

THE SENATE COMMITTEE POVERTY LINES ARE BASED ON A FORMULA WHICH IS UPDATED ANNUALLY ON THE BASIS OF A MEASURE OF DISPOSABLE PERSONAL INCOME IN CANADA AND CHANGES IN THE DISTRIBUTION OF FAMILIES OF VARIOUS SIZES.

THE SENATE POVERTY LEVEL IS APPROXIMATELY 50% OF AVERAGE CANADIAN FAMILY INCOME ADJUSTED TO FAMILY SIZE, MAKING PROVISION FOR INFLATION AND GROSS NATIONAL PRODUCT. FOR FAMILIES OF SIZES 2, 3 AND 4, THE POVERTY LINES ARE ALMOST EXACTLY HALF OF THE AVERAGE INCOME FOR FAMILIES OF THOSE SIZES.

STATISTICS CANADA: Poverty Level Lines are based on changing consumption patterns which now indicate that families who spend 62% or more of their income on food, clothing and shelter (as opposed to the 70% criterion used at an earlier date) are in straitened circumstances. These limits are also differentiated by size of area of residence.

The average family with only one working parent had the same after-inflation income last year as almost a decade ago, Statistics Canada says.

"Two-parent, one earner families had the same real income in 1988 as in 1980 - \$37,351 compared to \$37,449," the agency said in a report on family incomes.

Average income across the country for all types of families was \$46,185 last year, 1.8 per cent higher than in 1987, after 4 per cent inflation is taken into account.

That was its highest historical level, but the 1980s have seen little real growth in family income compared with the previous three decades, Statistics Canada said.