



Low Income, Labour Force Participation and Women in Housing Need, 1991

Introduction

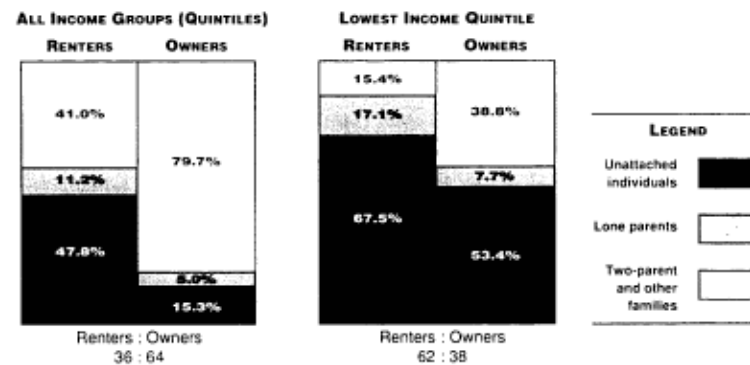
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inding and obtaining an appropriate dwelling is challenging for most households, especially those with low incomes. Indeed, in 1991, six out of ten households with incomes below Statistics Canada's low-income cut-offs lived below today's housing standards. Unable to find dwellings adequate in condition, suitable in size, and affordable for their incomes, these households were in core housing need. In this issue of *Research and Development Highlights*, core housing need is shown to be particularly related to low household income and lack of participation in the labour force. As in Issues 11 and 12, all information is based on 1991 data derived from housing cost surveys carried out by Statistics Canada for the federal and provincial housing agencies.

Findings

Although renters constitute only 36 per cent of all households in Canada, they make up 62 per cent of the households in the bottom one-fifth or lowest income quintile (Figure 1). Why? Low income households such as lone parents (predominantly female) or unattached individuals (living alone or sharing) traditionally rent. The result is that, with 25 per cent or one-quarter of all renter households in housing need, renters are five times more likely to be in need than owner households.

Figure 1 Tenure Profiles



However, even amongst renters, some are more prone to housing need than others. As Table I shows, the most likely renter households to experience housing need are female-led, and lone parents or women living alone (both elderly and non-elderly).

Table I Susceptibility to Housing Need and Low Income - Selected Renter Households, 1991 -

HOUSEHOLD GROUP	NO. OF HHLDS. IN HOUSING NEED	COMPARATIVE DATA ON THE INCIDENCE OF NEED	LOW-INCOME STATUS (BOTTOM QUINTILE)
All female-headed renter households	507,000 3.9 of 10	• female heads were 2.4 times as likely to be in need as male heads.	725,000 5.5 of 10
- Elderly (65+) (90% living alone)	175,000 4.6 of 10	• female seniors were 1.4 times as likely to be in need as male seniors.	286,000 7.5 of 10
- Non-elderly			
a) Lone parents	160,000 4.9 of 10	- lone parents were 10.9 times as likely to be in need as male-led two-parent families (most of which owned).	187,000 5.8 of 10
b) Women living alone	148,000 3.1 of 10	- female individuals were 6.9 times as likely to be in need as male-led two-parent families (mostly owners).	225,000 4.7 of 10
c) Females sharing with others	25,000 1.9 of 10	- sharing, with either other unattached individuals or related family members, keeps housing need lower amongst this small group.	27,000 2.0 of 10

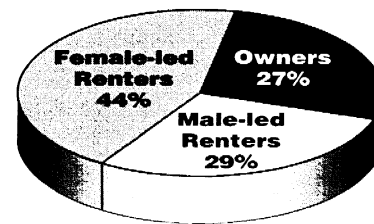
Low Income

Female-led renter households comprise a disproportionate 43.6 per cent of all households in core housing need (Figure 2). The most compelling reason is the low-income status of these households in need. Their average income in 1990 was only \$ 12,600, just 29.6 per cent of the income of male-led households not in core housing need.

Non-elderly women living alone held the dubious distinction of having the lowest average income of any renter household group in core housing need: \$ 10,700. These households spent on average 52 per cent of their income on shelter alone, or about two and one-half to three times as much as the average male- and female-led renter households not in housing need.

What lies behind such low income and how does it relate to housing need? The answer is low labour force participation and dependence on government transfers as the major source of household income.

Figure 2 Core Housing Need



Non-elderly Females

Not all lone parents and single women are equally exposed to housing need. In fact, there are two groups, as demonstrated in Table 2. Amongst the first, characterized by labour market participation and reliance on non-government earnings as the major source of household income, the likelihood of being in housing need (22 to 26 per cent) is little different from the overall renter household probability of being in need (25 per cent). In contrast, need is highly concentrated amongst households in the second group, noted for their lack of labour force participation and dependence on government payments for their major source of household income. While

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20 to 30 per cent of those in the labour force generating their own income live in housing need, some 60 to 70 per cent not in the labour force and dependent on government transfer payments as their major source of income fall into core housing need. Lone parents dependent on government payments as their major source of income were more likely to be in need than any other group: only one-quarter of these households avoided living in housing need.

Table 2 Households in Housing Need by Labour Force (L.F.) Status, and Major Source of Income, 1991

TYPE OF HOUSEHOLD	L.F. STATUS*/ SOURCE OF INCOME	HOUSEHOLDS IN NEED		AVERAGE INCOME	AVERAGE STIR**
		No.	%		
All non-elderly female renters 333,000	Head not in L.F.	163,000	57%	\$11,600	50%
	Head in L.F.	170,000	26%	\$13,500	48%
a) Lone parents 160,000	Govt. Payments	187,000	71%	\$11,600	51%
	Non-Govt. Income	146,000	22%	\$13,800	46%
b) Women living alone 148,000	Head not in L.F.	95,000	66%	\$12,900	49%
	Head in L.F.	65,000	36%	\$14,800	44%
	Govt. Payments	113,000	74%	\$13,200	48%
	Non-Govt. Income	47,000	28%	\$14,900	45%
	Head not in L.F.	56,000	50%	\$ 8,200	55%
	Head in L.F.	92,000	25%	\$12,200	50%
	Govt. Payments	64,000	71%	\$ 8,000	58%
	Non-Govt. Income	84,000	22%	\$12,700	48%

LF. Status refers to labour force activity at survey time.
STIR stands for the households Shelter cost-to-Income Ratio.

While participation in the labour force is important, work status once in the labour force is equally important for the 170,000 non-elderly renters in core housing need with earners in the labour force. Table 3 illustrates that unemployment and part-time work are associated with low income and core housing need. While need affected up to 80 per cent of those who had not worked in the previous year, for those with full-time work, the incidence of housing need fell to 20 to 22 per cent, below the average incidence of need amongst renters.

Table 3 Households in Housing Need by Work Status in the Labour Force (L.F.), 1991

All non-elderly female renters in the L.F.: 170,000	Unemployed	46,000	56%	\$13,000	49%
	Employed	124,000	22%	\$13,700	47%
a) Lone parents in the L.F.: 65,000	No work last year	19,000	80%	\$11,700	48%
	Part-time only	44,000	46%	\$13,700	45%
	Full-time	107,000	20%	\$13,700	49%
b) Women living alone in the L.F.: 92,000	Unemployed	23,000	66%	\$14,400	45%
	Employed	42,000	29/~	\$15,100	43%
	No work last year	13,000	80%	\$12,300	47%
	Part-time only	24,000	63%	\$14,900	42%
	Full-time	28,000	22%	\$15,900	44%
	Unemployed	20,000	58%	\$11,200	55%
	Employed	72,000	22/~	\$12,400	49%
	No work last year	17,000	47%	\$10,600	
	Part-time only	71,000	22%	\$12,700	50%

Note: Employed/unemployed refers to work status at survey time, while full-time work is defined as working at least 30 hours a week during the previous year.
STIR refers to shelter cost-to-income ratio.

Sample size is not sufficient to support reliable estimates for this small group of households.

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Elderly Females

Amongst retired elderly females, the major source of income is again the telling factor. Those dependent on government payments are over three times more likely to be in core housing need than those dependent on non-government income as their major income source (Table 4).

Table 4 Households in Housing Need by Major Source of Income, 1991

TYPE OF HOUSEHOLD	MAJOR SOURCE OF INCOME	HOUSEHOLDS IN NEED		AVERAGE INCOME	AVERAGE (STIR)
		No.	%		
Alt elderly females: 175,000	Govt. Payments	162,000	54%	\$12,000	47%
	Non-Govt. Income	13,000	16%	\$16000	40%

The sample supporting this estimate is marginal.

Conclusion

Low-income, female-led renter households experience housing need more often than any other type of household. Their need is directly related to low labour force participation and dependence on Government transfer payments as their major source of income. Indeed, when they can obtain full-time work, their level of housing need drops dramatically. Even the experience of female lone parents shows this to be the case. If employed full-time, they can reduce the likelihood of being in need below the average experienced by all renter households.

This issue of *Research and Development Highlights* has been produced as a result of work carried out by the Research Division of Canada Mortgage and Housing Corporation (CMHC). It is the third issue to examine the nature of housing need in Canada in 1991. More general information on housing needs measurement concepts and tools is also available from Issue 7 of this series or from the comprehensive NHA report, *Core Housing Need in Canada*. Any questions about the contents of this highlight may be directed to Mr. J. England, Researcher, Housing Needs Analysis, at (613) 748-2799.

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