

## FACT SHEET # 2

# AN INTRODUCTION TO RACIALIZED POVERTY

### How are we measuring poverty?

Canada has most often used the Low Income Cut-Off (LICO) to measure financial hardship, and is soon to start using the Low Income Measure (LIM), which is more commonly used to make international comparisons.

The LICO shows how many households are spending a higher than average percentage of their income on the necessities of food, shelter and clothing. The After-Tax Low-Income Measure (LIM-AT) shows how many households have an income that is less than half the national median income for a similar-sized household.

To fully understand the impact of racialization any poverty measure should include Indigenous or racialized identity, gender, age, disability, sexual orientation, immigration status and family type as well as province and region.

### Who are we speaking about?

The information in these fact sheets refers to Canadians of non-European background or heritage - both people of colour who are Canadian-born as well as those who are born elsewhere in Canada. We make equal reference to Indigenous Peoples in our fact sheets, who have a distinct history and experience.

Our understanding of Indigenous Peoples follows the most commonly accepted definition outlined in the Constitution Act, 1982, that Indigenous Peoples are those who identify as First Nations (Status and Non-Status), Métis, and Inuit. We recognize that Indigenous claims to justice, including claims of those living off-reserve, are distinct and require unique strategies and a nation-to-nation response, and that Indigenous Peoples are among the worst affected by poverty and institutional, structural and systemic racism and exclusion.

### The racialization of poverty

Racialization refers to “the process by which societies construct races as real, different and unequal in ways that matter to economic, political and social life.”

Racial categories are not based on science or biology but on differences that society has chosen to emphasize, with significant consequences for people’s lives.

People can be racialized not only based on skin colour but also other perceived characteristics such as their culture, language, customs, ancestry, country or place of origin, or in close association with faithist bias as in Islamophobia and anti-Sikh faithism.

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Racialized communities experience ongoing, disproportionate levels of poverty. In other words, people of colour and Indigenous Peoples are more likely to fall below the LICO/LIM and to have related problems like poor health, lower education, and fewer job opportunities, than non-racialized people.

While it is possible for anyone to experience low income and reduced opportunities, individual and systemic racism plays a significant role in creating disadvantaged conditions and barriers for people of colour and Indigenous Peoples.

Discrimination means that they are less likely to get jobs when equally qualified and are likely to make less income than their non-racialized peers. They are more likely to live and work in poor conditions, have less access to healthcare, and be victims of police violence.

# SYSTEMIC RACISM AND RACIALIZED POVERTY ARE IMPORTANT ISSUES TO ADDRESS...

“ Racism is real. Histories of slavery, colonization and institutions of our past continue to shape the present and create a further gap between racialized and Indigenous people and others. This is not acceptable. ”

- A Better Way Forward: Ontario's 3-Year Anti-Racism Strategic Plan

## What is systemic racism?

Systemic racism occurs when an institution or set of institutions working together creates or maintains racial inequity. This can be unintentional, and doesn't necessarily mean that people within an organization are racist. It is often caused by hidden institutional biases in policies, practices and processes that privilege or disadvantage different groups of people. It can be the result of doing things the way they have always been done without considering how they affect particular groups differently.

Systemic racism can lead to the over-representation of Indigenous Peoples, Black peoples, and other peoples of colour in our jails and child welfare system. It can lead to Indigenous youth facing unfair economic challenges, and being unable to access healthcare. It can explain why Islamophobia and anti-Black attitudes persist, and often intersect.

Acknowledging systemic racism and understanding what it does and looks like is the first step toward effective advocacy for racial justice. It is important to note that doing so does not detract from the personal experiences and adversities of individuals not targeted by systemic racism. Acknowledging systemic racism allows us to identify in what ways certain people are privileged and disadvantaged, therefore addressing the systemic and contextual issues, biases, and barriers hampering equity and equality.



In 2016, the proportion of people of colour (Statistics Canada uses 'visible minority') in Canada was 22%. In Ontario the proportion was 29% (3,885,585 persons).

**Racialized people in Canada are significantly more likely to live in poverty. The 2016 Census showed that 20.8% of peoples of colour are low-income compared to 12.2% of non-racialized people.**



In 2015, the income gap between racialized and non-racialized residents increased from 25% to 26%.



**According to 2016 Census data, 80% of Indigenous people living on reserves in Canada live in poverty. 27 communities reported median total incomes below \$10,000.**

41% of chronically poor (living below LICO for 5 consecutive years) immigrants have degrees.

