

The Shifting Demand for Social Services

WITH PARTICULAR REFERENCE TO THE
CHARITABLE SECTOR

A **Cardus** Background Paper
February 2010



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Meeting demand

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PREFACE

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INVESTING TO COUNTER THE SILENT PARTNER'S DECLINE

Canada's prompt and widely-commended response to the January catastrophe in Haiti contains important lessons.

Within hours of the tragedy, Canada's recently purchased CF-17 heavy lift aircraft were airborne carrying two helicopters with ground crew and equipment. This stood in stark contrast to Canada's response to the Indonesian tsunami. Canada's military transport capacity had not yet been updated and it took several days before the Air Force could lease cargo space from a civilian charter company in order to deliver aid to where it was needed.

The infrastructure of delivering help to those who need it is not only relevant when it comes to airplanes and responding to disasters. Every day Canadians rely on an extensive infrastructure provided by the charitable and not-for-profit sector to deliver the sorts of everyday social services often taken for granted.

In October 2009, a study by Cardus entitled *A Canadian Culture of Generosity* pondered the implications of Canada's impending "social deficit": how our institutions are going to

suffer from the steady decline in charitable giving, volunteering and civic engagement. The study showed how a relatively small proportion of the population—dubbed the "civic core"—provides the vast majority of the needed resources in the charitable sector. A major concern is that this civic core is declining by 1-2% per year, raising obvious concerns regarding what this social infrastructure will look like a decade from now.

This paper, *The Shifting Demand for Social Services* (both papers available at cardus.ca), has crunched the numbers from StatsCan to identify the segments of our population most at risk in this gap. While the data is complex and not given to simple summary, the conclusion is clear. Demographics, immigration, and urbanization will combine to put upward pressure on what is expected from charitable organizations.

Canada's demographic mix is in the midst of a radical shift. In 2001, one in eight Canadians was over the age of 65. By 2026, it will be one in five; by 2030, one in four. The impact of this change for programs that assist the elderly for independent daily living is obvious. Less often considered is the impact on their extended family members. An increasing proportion of the population will be asked to care for their own elderly relatives, decreasing

the time, resources and energy they are likely to provide to the charitable sector.

Canada will also continue to rely on significant immigration levels to maintain its population level. Programs to assist with integration, settlement issues and language training—delivered largely by communities and the non-profit sector—are becoming more important in our social infrastructure. It is projected that the immigrant populations in Canada's major cities will increase by about 10% between 2001 and 2017. Mostly because of their countries of origin, fewer and fewer immigrants are arriving with a working knowledge of English or French. Data suggests that for the first five years of immigration, 19% of immigrants are persistently poor, and almost 60% remain in low income categories.

Finally, the impacts of urbanization and changing family structures (particularly growing proportions of lone-parent families and unattached individuals) also suggest population segments likely to need more social services in the near future.

Some societal factors will mitigate the growing gap, including better private pension support and rising education levels. But the net effect of the factors measured suggests an upward demand on social services.

It does not take a degree in economics to understand the impact of a decreasing supply and increasing demand. But given that the subject matter involves social services, the price that will be paid is more than a future increased tax bill. If unaddressed, many of the services Canadians take for granted from the charitable sector may soon be in limited supply. The current economic challenges have already impacted the charitable sector in a significant

manner. In the federal governments 2008 Tax Expenditure estimates, the charitable donation credit was projected to cost the federal treasury \$2.79 billion and the 2010 projection was \$2.95 billion. The 2009 Estimates reduced these to \$2.3 billion for 2009 and did not make a projection for 2010. We know that 2008 charitable donations declined by 5.3% and while 2009 numbers are not yet available, it is widely expected that there will be a further decrease of at least that proportion. In other words, at a time when we should be considering greater investment in this sector, our collective contribution to this sector is declining. In 2004, the federal government paid a premium in order to secure airlift capacity, and the support offered to the tsunami victims was less than optimal. An investment in transport infrastructure provided the opportunity to make a more efficient and timely response in 2010. A similar investment is presently needed in Canada's social infrastructure, lest a crisis come for which we do not have the capacity to respond.

There is no single solution that will address these complex challenges. However, Cardus' recommendation that the upcoming federal budget increase the Charitable Tax Credit from 29% to 42% for donations over \$200 is a place to start. This strategic change would not only provide short-term stimulus to Canada's silent partners, but would also clearly recognize the long-term importance of this sector to our social fabric.



Ray Pennings
Senior Fellow and Director of Research, Cardus
www.cardus.ca
www.29to42.ca



BACKGROUND

Though given little attention, most of the organizations constituting Canada's charitable and nonprofit domain provide diverse public services in support of the collective good of individuals, families, groups and communities. This task is shared with governments, which, because of their size and resources, are the dominant providers. Indeed, debate about the appropriate functions and limits of government has been ongoing and has included persistent discussion of what should be the division of responsibilities between government and the charitable sector. Without participating in this debate directly, this discussion paper has been prepared to outline forces at work in Canadian society that could over the next 20 years or so increase the demand for public services, whether from governments or from charitable organizations. The contents provide the premise for a broader Cardus initiative that the charitable sector is capable of making a larger and more effective

contribution to meeting public needs in Canada, and that additional resources to strengthen the charitable sector could be generated by increasing the charitable donation tax credit from 29% to 42%.

We note in passing that the charitable sector serves other functions than the provision of services: directly and indirectly, it strengthens communities, contributes to social cohesion in multiform ways, encourages citizenship and civic engagement, and furthers social justice. These essential functions buttress arguments for why the charitable sector in Canada merits increased recognition and financial support.

Note: With few exceptions, this background paper is based on statistics and research reports published by Statistics Canada.



DEMAND FROM POPULATION SEGMENTS

THE ELDERLY AND AN AGING POPULATION

What are the significant trends associated with the “aging” of the Canadian population that will have an impact on the demand for services from government, nonprofit, and charitable organizations?

Population projections indicate that by 2026, one in five Canadians will be 65 or older, up from one in eight in 2001 (Williams 2005, p. 16). The proportion of Canadians over 65 will continue to grow, reaching almost one-quarter of the population by 2030 (Reed and Selbee, 2010).

As this population grows in absolute size and at the same time becomes a larger proportion of the total population, a number of important changes will affect the demand that seniors create for publicly provided services. Some of the issues in this area include income adequacy, health care needs, adequate housing, assistance to the elderly for independent daily living, assistance to families who provide in-home support for senior relatives, and other factors that affect the quality of life seniors expect to enjoy.

The aging of the population will not only increase the demand for services required by the elderly themselves, but will also increase

the demands placed on family members who often provide the main source of care for the elderly. This, in turn, will increase the demand for programs and services that assist these individuals in balancing work with child-care and expanding elder-care responsibilities.

This section considers the principal conditions and trends that identify the potential consequences of the growing senior population for the demand on services from charitable and public agencies.

Income Adequacy of the Elderly

As stated in Planning for Canada’s Aging Population, “income is one of the most important health determinants and the basis of an individual’s ability to access appropriate housing and transportation required to maintain independence; nutritious and sufficient food to maintain health; and non-insured medical services and supports such as medication and home support” (Turcotte and Schellenberg, 2006).

The average income of seniors improved significantly between 1980 and 2003, with average total after-tax income increasing by 18%, rising from \$36,300 to \$42,800. But over 90% of this income is derived from

private pension plans, with most of the rest from Registered Retirement Savings Plans. Over the same period, the share of seniors with low income declined from 34.1% to 15.1% when measured using the Low-Income Cut-Off before taxes, and from 21.3% to 6.8% when measured using the Low-Income Cut-Off after taxes. However, the recent economic downturn severely affected many private pension plans and may have a long-lasting negative impact on seniors' income in future years (Turcotte and Schellenberg, 2006).

The Elderly Living at Home

According to Census projections, by 2026, life expectancy at birth will rise to about 80 years for males and 85 years for females. Improved health-care and technological advances may allow more seniors to live on their own for longer periods after retirement, but age-related limitations in their ability to care for themselves will bring more challenges to the organizations and services that assist seniors with independent living. Since the early 1980s, the proportion of seniors in institutional care has declined, but this has largely been due to an expansion of home-care programs and community support services that allow seniors to stay in their homes longer. Overall, only 2% of Canadians age 65 and over are in institutional care, but this proportion changes markedly as seniors get older, rising to 32% for those aged 85 and over (Clark, 2005). Rising life expectancy will greatly increase the numbers of seniors aged 85 and older, increasing the demand on all sectors of society to provide various forms of 'supervised-care' accommodation for this segment of the population.

Although the income of seniors rose by 20% between 1980 and 2000, the proportion

of seniors who had difficulty paying for accommodation remained unchanged at about 18%. Not surprisingly, the problem was much more pronounced among low-income elderly Canadians, with more than half (52%) experiencing "affordability" (30% or more of after-tax income is spent on shelter costs) problems in 2001 (Clark, 2005).

Difficulties paying shelter costs affect women aged 65 and older to a greater degree than men of comparable age. Having a longer life expectancy, being younger than their spouses, and with lower pension incomes (more work interruptions and jobs in sectors with inferior or no retirement benefits), senior women are more likely to experience affordability problems than men: 22% versus 14% (Clark, 2005).

Assisted Living

As the number of people aged 65 and older rises, the need for home care services can be expected to increase. In particular, age-related conditions that impact an individual's ability to live independently in the community will become more common and will increase the need for both formal services provided by organizations in the community and informal help provided by the family.

In 2002, among all seniors who received help because of a long-term health problem, about three quarters (72%) received some of that help from informal sources and almost half (45%) received their help only from informal sources (Carrière, 2006).

In 2003, 8% of 65-to-74-year-olds, 20% of those aged 75 to 84 and 42% of those 85 and older received some form of home-care. But almost

one-fifth (19%) of seniors who used a combination of formal and informal home care reported unmet needs (Carrière, 2006).

Assistance to Families Providing Care for Seniors

Another consequence of the expanding senior population will be increased demand for services that provide assistance to families that directly care for their elderly relatives. This may involve the needs of families who assist elderly relatives who live independently but require help with day-to-day tasks, and those who provide care for elderly family members in their own homes.

Care for the elderly is largely a family-based system in Canada. Fewer than 2% of Canadians over the age of 65 are in institutional elder-care settings, such as old-age homes or extended care facilities. The majority of the elderly either live on their own or with their adult children or other relatives.

Care for elderly family members does not impact all Canadians in the same way. In 2001, for example, 29% of immigrant seniors and 56% of visible minority seniors lived with their families, while only 13% of seniors born in Canada did so (Clark, 2005).

Because today's young adults frequently delay marriage and parenthood, it is not unusual for older family members to require care at a time when young children and teens are still part of the household, thus presenting a particularly heavy burden to the middle generation of adults in the family. These people make up the "sandwich generation," whose members are caught between the often conflicting demands of caring for children and caring for seniors. Although parents

have seen childcare services evolve, little formal support has been established for the growing number of middle-aged men and women caring for seniors. The situation can be stressful for both caregiver and care receiver, especially as failing health necessitates more care (Williams, 2005).

The assistance such caregivers continue to hope for include compensation or tax breaks, information on long-term illnesses or disabilities, and counselling (Williams 2005).

LOW INCOME CANADIANS

Trends in Income between 1980 and 2005, from Census Data

Median earnings of Canadians employed on a full-time basis for a full year changed little during the past quarter century, barely moving from \$41,348 in 1980 to \$41,401 in 2005 (in 2005 constant dollars). The earnings of full-time full-year earners rose for those at the top of the earnings distribution, stagnated for those in the middle, and declined for those at the bottom (Statistics Canada, 2008).

After narrowing steadily from 1980 to 2000, the ratio in earnings between men and women aged 25 to 29 remained unchanged between 2000 and 2005. In 2005, young women entering the labour market and employed on a full-time full-year basis earned 85 cents for each dollar earned by their male counterparts. In 1980, this ratio was 75 cents (Statistics Canada, 2008).

Between 1980 and 2000, the earnings of Canadian workers widened significantly. In 1980, recent immigrant men who had some employment

income earned 85 cents for each dollar received by Canadian-born men. By 2005, the ratio had fallen to 63 cents. The corresponding numbers for recent immigrant women were 85 cents and 56 cents respectively (Statistics Canada, 2008).

Between 2000 and 2005, median earnings of economic families in which at least one partner, or the parent, was aged between 15 and 64 and worked in 2005, increased 0.6%, to \$63,715 (Statistics Canada, 2008).

The median income for lone-parent mothers in 2005 amounted to \$36,765, the lowest of all the major economic family types. However, this was 26.4% higher than it was in 1980. In contrast, the median income for lone-parent fathers declined 4.1% during this 25-year period, to \$51,974 in 2005, narrowing the gap with their female counterparts (Statistics Canada, 2008).

During the past 25 years, the before-tax low income rate for children changed very little. In 1980, 20.0% of pre-schoolers and 18.7% of school-age children lived in low income families. This remained little changed in 2005, at 19.3% and 17.0%, respectively (Statistics Canada, 2008).

Between 1980 and 2005, the before-tax low income rate for seniors aged 65 and over declined substantially, from 29.9% to 14.4% (Statistics Canada, 2008).

Low Income among Wage-earners

Several general economic trends in the last 25 years are likely to affect wage levels and job stability in Canada, including the growth of international trade and outsourcing, the

increase in computer-based technologies, the employment decline in manufacturing, the decline in unionization and in large firms' share of total employment (Morissette and Picot, 2005).

Despite these changes, hourly wages remained basically stable: among employees aged 17 to 64, median hourly wages (in 2001 dollars) remained at approximately \$15. This stability hides changes that have occurred when comparing full-time and part-time jobs. Median hourly wages in full-time jobs rose about 5%; those in part-time jobs fell 15%. Median wages among newly hired employees have also fallen. Median hourly wages of male workers aged 25 to 64 with two years of seniority or less fell 13% between 1981 and 2004; among women, they fell 2%, but among workers with more than two years of tenure, wages rose 4% for men and 14% for women (Morissette and Johnson, 2005).

The proportion of low-paid jobs has been stable over the last two decades. In 1981, 17% of the jobs held by workers aged 25 to 64 paid below \$10 per hour (in 2001 dollars), compared with 16% in 2004 (Morissette and Picot, 2005).

Average weekly earnings of low-paid full-time employees dropped 8% between 1980 and 2000 (Chung, 2004).

Pension coverage held by low-paid female workers remained virtually unchanged between 1984 and 1998, while that of male workers rose slightly. Overall, pension coverage of low-paid workers remained at least three times lower than that of other workers, and non-coverage has fallen, though to a lesser extent for female versus male workers (Morissette and Picot, 2005).

Among private sector workers aged 25 to 64, the proportion of temporary jobs rose from 5%

in 1989 to 9% in 2004, and 21% of all jobs held by recently hired employees were temporary (Morissette and Picot, 2005).

In 2000, 30% of low-paid workers lived in low-income families, unchanged since 1980 (Morissette and Picot, 2005).

Changes in family structure (the growing proportion of lone-parent families and unattached individuals) have increased the incidence of low income among low-paid workers by 2 to 3 percentage points. In both 1980 and 2000, about 5% of full-time employees were both low-paid and lived in low-income families (Morissette and Picot, 2005).

Some groups in Canada have a greater propensity to be low-paid workers in low-income families. Women are slightly more likely than men to be in this position (4.4% for men, 5.5% for women). Rates are higher among unattached individuals (16% of unattached male workers were both low-paid and had low income, 22% of unattached women), and among single mothers (13%). Individuals with a high school diploma or less, recent immigrants, and persons living alone also have a higher propensity to be both low paid and in a low income category (Morissette and Picot, 2005).

Earnings rose 14% among young couples where both partners had university degrees. Thus, the earnings gap between the less and more highly educated families increased. According to tax data, significant increases in after-tax and transfer income inequality occurred in the 1990s (Frenette et. al., 2004).

Between 1980 and 2005, the number of unattached individuals (under 65) living in low

income more than doubled, from 530,000 in 1980 to 1.18 million in 2005. During the same 25-year period, the low income rate faced by this group rose from 30% to 34%, while low income rates fell for other groups, including the elderly (attached and unattached), lone parent families, and two-parent families with children. Though this group increased from 7.2% of the population in 1980 to 10.9% by 2005, its share of low-income persons grew from a low of 18.9% in 1980, to 34.3% in 2005 more than three times its population share (Feng et. al., 2007).

Among non-elderly unattached individuals aged 18 to 64, those who faced the highest incidence of low income included the young aged 18 to 24, high school leavers, those reporting work-related activity limitations, and the unemployed (Feng et. al., 2007).

Income of Seniors

The proportion of retirees will increase considerably, relative to active wage earners, in the near future. In this context, the degree of financial well-being experienced by seniors will likely become an issue of paramount importance (LaRochelle-Côté, 2008).

Findings indicate that more recent cohorts of retirees are better off than earlier ones when they enter retirement, largely because of higher private pension benefits. For a typical worker, income begins to fall around age 60, dropping to about 80% of what he or she earned at age 55, and then remains stable for an extended period (LaRochelle-Côté, 2008).

Poorer individuals have higher levels of income instability than richer individuals during their late 50s and 60s, but this gap largely disappears

as they begin to access the more stable income flows they receive from the public pension system (LaRochelle-Côté, 2008).

Average family income reaches a peak of \$45,600 at age 60 and then falls sharply to \$38,600 by age 64. Average income rises slightly at ages from 65 to 67, declines over the next three years, and then stabilizes after age 70 (LaRochelle-Côté, 2008).

Lone-Parent Families

Between 1981 and 2001, the proportion of lone parent families went from 11% to 16%. These families also accounted for more children 18 and under in 2001—21% compared with 14% in 1981 (Galarneau, 2005).

In 2000, the before-tax annual income of two-parent families was nearly \$78,800, compared with only \$27,700 for lone mothers and just under \$44,000 for lone fathers (Galarneau, 2005).

While lone mothers in 2000 were almost five times more likely to have a low income than married women with children (43% versus 8%), the proportion was somewhat lower than in 1980 at 52% (Galarneau, 2005).

In 1981, 46% of lone mothers (compared with 42% of those with spouses) had not completed high school. By 2001, this proportion had fallen by half to 22% (Galarneau, 2005).

In 2001, 71% of lone mothers had a job, and for most, a full-time one, but as a group they were vulnerable to high rates of unemployment: among the youngest lone mothers with little education unemployment rates increased from 16.2% to 21.6% between 1981 and 2000, and for all lone mothers

with little education, increased from 11.7% to 16.2% (Galarneau, 2005).

Lone mothers in the bottom one-third of the earnings distribution have the highest earnings instability among all population segments considered in this study (two-parent families, lone parents and unattached individuals); in particular, the earnings instability of the bottom one-third of lone mothers aged 30 to 34 years is twice the earnings instability of bottom one-third of two-parent families with husbands aged 30 to 34 years (Morissette and Ostrovsky, 2007).

The number of lone fathers rose from just over 62,000 in 1981 to nearly 119,000 in 2000, and lone fathers saw their average earnings decline 73% in real terms from 1981 to 2000. Among lone fathers, who represent a growing portion of heads of lone-parent families, the proportion who fall in the low-income category increased from 16% to 20%. Nonetheless, in 2000, low-income situations were half as common for lone fathers as for lone mothers; 20% and 43% respectively (Morissette and Ostrovsky, 2007).

IMMIGRANTS

Canada's immigrant population grew from 16.1% in 1991 to 19.8% in 2006, a significant change over 15 years. Overall, between 2001 and 2006, Canada's foreign-born population increased by 13.6%. This was four times higher than the growth rate of 3.3% for the Canadian-born population during the same period and represented an estimated 1,110,000 immigrants (Statistics Canada, 2007).

Immigrant Incomes

The proportion of recent immigrant employees (those arriving during the five years prior to the census reference year) who are low-paid workers in low-income families increased from 9% in 1980 to 12% in 2000 (Morissette and Picot, 2005).

Earnings of recent immigrants declined continuously between 1980 and 1995 and then improved marginally between 1995 and 2000 (Frenette and Morissette, 2003; Green and Worswick, 2002).

Low-income rates among recent immigrant families rose between 1980 and 2000, while those of Canadian-born families fell: in 1980 the low-income rates of recent immigrants were 1.4 times that of the Canadian-born; by 2000, this ratio had risen to 2.5 (Picot and Hou, 2003).

Some research suggests that the deterioration of recent immigrants' economic position is related to changes in their characteristics (country of origin, language skills), a decline in the returns to their foreign work experience, and a general decline in the labour market outcomes of new labour force entrants overall (Picot and Hou, 2009).

Over the period 1992 to 2004, the educational attainment of entering immigrants rose dramatically; among those aged 15 years and older, 17% had a degree in the 1992 entering cohort, 45% in the 2004 cohort, and many more were in the "skilled" economic class, with far fewer in the "family" class. The share of immigrants in the skilled economic class (including principal applicants, spouses, and dependents) rose from 29% in the 1992 cohort to 56% in the 2003 cohort (Picot et. al., 2009).

Immigrants generally experience very negative economic conditions early upon entry to Canada. The risk of experiencing low income is very high during the first year in Canada (34% to 46%, depending upon the entry cohort), falls dramatically to around 10% in the second year, and even lower in subsequent years (Picot et. al., 2009).

For the five-year rate among entering cohorts between 1992 and 2000 (years for which chronic low income could be measured), about 19% of entering immigrants found themselves in a low-income position. This was about 2.5 times higher than that observed among the Canadian-born population (Picot et. al., 2009).

A high level education does not always pay off for immigrants. Recent immigrants with a university degree are much more likely than their Canadian-born counterparts to be working in occupations that typically require no formal education. In Vancouver, for example, 31% of recent immigrants with a university degree were employed in jobs with low skill levels, compared with only 13% of Canadian-born graduates. And female graduates were more likely than their male counterparts to be employed in moderate- or low-skilled jobs (Heisz, 2005). This points to the need for programs and services that help immigrants upgrade or re-certify their educational credentials.

Low income is a persistent state for many immigrants. Among the 1992 and 2000 immigrant cohorts, almost one-fifth remained at low income levels between 2001 and 2004. Of these, 19% were persistently poor and most (about 60%) were in low income all five years. In contrast, among the Canadian-born aged 25 to 54, persistent low income stood at around 75% over the same period (Picot et. al., 2009).

Since the 1990s, immigrant cohorts have earned significantly less income during their first years in Canada than other Canadians, and earnings growth in subsequent years has not been sufficient to achieve income parity.

Growth in Urban Settings

Canada's largest cities are increasingly made up of large immigrant populations. Of Toronto's population in 2001, 44% were immigrants themselves, another 18% were second-generation immigrants aged 15 and over, and another 10% were children in families where one or both parents were immigrants. In Vancouver, 64% of the population were first- or second-generation immigrants (Heisz, 2005).

Projections indicate that this proportion will rise. In Toronto, where 44% of the population were immigrants in 2001, it is projected that 49% would be so by 2017. In Vancouver, the proportions were 38% and 44%, respectively. In addition, the proportion of Torontonians who are visible minorities is projected to rise from 36% in 2001 to 50.6% in 2017. In Vancouver, the proportions are 36% and 49.2% respectively (Heisz, 2005).

Changing Ethnic and Racial Composition

The immigrant population has changed greatly over the last few decades, one of the most dramatic changes being country of origin. This has increased the need for programs providing language training. Immigrants are now increasingly coming more from Asia (China, India and the Philippines, in particular) than from European countries such as the United Kingdom and Italy, or from the United States. As a result, the proportion of immigrants who speak a language other than English or French at home

has increased markedly. From 1981 to 2001, the share of immigrants from Eastern Europe, South Asia (India, Pakistan), East Asia (China, Korea, Japan), West Asia (Iraq, Iran, Afghanistan) and Africa increased from 35% to 72%.

The change in country of origin has also increased the proportion of immigrants who are visible minorities. Between 1981 and 2001, visible minority immigrants rose from under 5% to 13.4% of Canada's population. Three of 4 recent immigrants and 3 of 5 mid-term immigrants were visible minorities in 2001, compared with only 1 of 5 early immigrants and less than 1 of 50 non-immigrants (Palameta, 2004).

Immigrants are most typically families with children, not unattached individuals. More than three-quarters (78%) of married recent immigrants had children, compared with just over half (52%) of non-immigrants and less than two-fifths (39%) of early immigrants (Palameta, 2004). The increased susceptibility of visible minority immigrants to low income suggests that they may have a more difficult transition than other immigrants. They may be less likely to have a working knowledge of one of the official languages; they may also be less likely to have their educational credentials accepted by regulatory bodies and potential employers. Discrimination is another possible factor; results from the Ethnic Diversity Survey show that 1 in 5 visible minority individuals report discrimination or unfair treatment, particularly in a work setting or when applying for a job (Palameta, 2004).

CHILDREN & YOUTH (UNDER AGE 15)

Children in Low-Income Families

Family income can influence various developmental outcomes for children. For example, living in low-income circumstances may impede the school readiness of preschool children, reduce the likelihood of achievement throughout the educational trajectory, reduce the ability to afford postsecondary education, and increase the likelihood of living in low-income circumstances as an adult. Information on the school-age population living in low-income circumstances provides the basis for appropriate policies and programs that target children who are most in need.

From 12% in 1989, children in families with low income rose steadily to a peak of 19% in 1996, declining thereafter to 12% in 2001 (Fleury, 2008).

In 2007, 11% of the population aged 5 to 24 in Canada lived in low-income circumstances, compared to 15% in 2003. Although the proportion of children in single-parent families living in low-income situations has decreased substantially since 2003, in 2007, these children were still almost three times as likely (17%) to live in low-income circumstances as children living in two-parent families (6%) (Statistics Canada, 2009).

More than one-quarter (27%) of children from lone-parent families lived in low-income situations for more than one year, while only 11% of children from two-parent families did so (Statistics Canada, 2009).

Those living without their parents are more likely to be young adults. The latest census indicates that 1% and 7%, respectively, of children aged 5 to 14 and 15 to 19 do not live with any parent (Statistics Canada, 2009).

According to the low income after-tax cut-off, 872,000 children under the age of 18 in 2004 (or 13% of all Canadian children) lived in low-income families, whose average income after tax was \$21,400. On average, these families would have needed an additional \$8,000 annually not to be considered low income. Almost half of these low-income children lived in a situation that could be considered fairly severe since their family's income was below 75% of the low-income after-tax cut-off (Fleury, 2008).

Regardless of the labour market status of the family's main income recipient, children from single-parent families were much more vulnerable to low income than children from two-parent families. Children who lived in families with several siblings were also more vulnerable to being in low income circumstances. It is worth noting, though, that living in a two-parent family is not a guarantee against low income, since half of low-income children (51%) lived with two parents in 2004 (Fleury, 2008).

According to 2001 data, an estimated 3.7 million young Canadians, or 14.7% of the population aged 12 or older, had experienced food insecurity. One-third (33%) of female lone parents reported food insecurity. This is almost double the figure for male lone parents (18%). Just 9% of people who were partners in a couple without children reported food insecurity (Ledrou and Gervais, 2005).

Government transfers have played an important role in easing the impact of low market income for Canadian children. Without these transfers, 22% of children, rather than 13%, would have had low-income status in 2004—an additional 584,000 children (Fleury, 2008).

Low Income in Aboriginal Children's Households

New results from the 2006 Census' profiles of cities across Canada indicate the situation visible minority groups find themselves in today. Using the city of Ottawa as an example, the experience of minority groups stands out. Compared with their non-Aboriginal peers in 2006, Aboriginal children were more likely to live with a lone mother (29% versus 14%), a lone father (4% versus 3%), a grandparent (with no parent present) (0.9% versus 0.2%) or with another relative (0.9% versus 0.3%).

As well, in 2006, Aboriginal youth aged 15 to 24 living in Ottawa had lower school attendance rates than their non-Aboriginal counterparts: 63% versus 75%.

In 2005 in Ottawa, one in four (24%) Aboriginal people were living below the low-income cut-off, compared to 15% of non-Aboriginal people. Further, three in ten (30%) Aboriginal children aged 14 years and under in Ottawa were living in low-income circumstances, compared to 18% of non-Aboriginal children, based on before-tax income data.

Children's Health

In addition to services intended to alleviate the effects of low income among families and children

in Canada, the charitable and nonprofit sector plays a central role in the provision of recreational activities for children, particularly physical activities. As issues related to children's health, especially levels of childhood fitness (obesity) come to the fore, there will be increased demand for programs and services that provide organized physical recreation for children outside the school setting.

Sports participation of boys has declined from 66% in 1992 to 56% in 2005, while over the same time period, sports participation of girls has also declined from 49% to 45% (Clark, 2008).

In 1978/79, 12% of 2- to 17-year-olds were overweight, and 3% were obese—a combined overweight/obesity rate of 15%. By 2004, the overweight rate for this age group reached 18% (an estimated 1.1 million), and 8% were obese (about half a million), giving a combined rate of 26%. It is noteworthy that in 2004, over a third (36%) of children aged 6 to 11 logged more than 2 hours of screen time (TV, video and computer use) each day. These children were twice as likely to be overweight/obese as were those whose daily viewing totalled an hour or less (35% versus 18%), and about twice as likely to be obese (11% versus 5%) (Shields, 2004).

Child development is a complex process that becomes more so when a child has a disability. In all aspects of their lives, children with disabilities may need help in order to ensure as much equality and accessibility to daily activities as possible. While we know a lot about education, assistive aids and adaptive technology, medical treatments, and transportation, researchers have not devoted as much attention to issues pertaining to social participation (Kowalchuk and Crompton, 2009). Having a parent who volunteered at the school

level was associated with children's higher social participation (this type of involvement includes helping elsewhere in school such as in the library or computer room, attending parent council meetings, fundraising, and other activities). Children whose parents were volunteers at the school level had significantly higher odds of participating in organized sports and in non-sport activities (Kowalchuk and Crompton, 2009). Family structure is associated with playing organized sports at ages 6 to 9 and 14 to 17. Nearly three-quarters (74%) of 6- to 9-year-olds who lived with two parents played sports, compared with 58% of those living with one parent. At ages 14 to 17, the corresponding figures were 78% and 69% (Statistics Canada, 2010).

Sports provide a potential for integrative context for new citizens. While internationally popular sports such as soccer may provide the children of recent immigrants with a familiar activity to feel at home in Canadian society, even in soccer, participation by immigrant children is lower (10%) than among those whose parents are Canadian-born (23%) (Clark, 2008).



GENERAL SOCIETAL FACTORS

In addition to the specific forces we have listed above that could affect demand for social and other services provided by charitable organizations (as well as by governments), there is a set of more general social forces at work in Canada which hold the potential to affect both demand for charitable services and supply of their resources upwards and/or downwards. Principal among these general societal factors are the following:

- the baby boomers are middle-aged and nearing or at retirement, likely to comprise a sizable pool of healthy idealists with considerable discretionary money and time available;
- the rising level of university education in the population;
- latent but significant concern about community and social cohesiveness in Canada;
- the heavy demands that contemporary life places on our limited supply of time;
- high and rising levels of household debt;
- nearly all adults in economically active households are in the labour force;
- inexorably-increasing metropolitanization of the wealthy versus the rest;
- the declining incidence and influence of religious affiliation, which is among the strongest forces supporting volunteering and giving;
- widespread economic turbulence and uncertainty in the midst of long-term rising prosperity;
- growing skepticism toward organizations and institutions (including government in particular) in contemporary society;
- an ongoing drift towards greater direct personal helping in place of organization-mediated helping and contributing;
- donors' dissatisfaction with charitable fundraising practices;
- the donating rate softening most among more highly educated Canadians;
- the lion's share of charitable giving coming from a small (about 20%) portion of the population; and
- the percentage of tax filers reporting charitable donations on their income tax returns falling below 25%, from nearly one-third a generation ago.

This is a complex mix of factors, and the interaction among them makes it extremely difficult to ascertain their net effect; it is most likely to be upward on the demand for services.



IN CONCLUSION: IMPLICATIONS

On the evidence available, there is no reason to expect a sudden, or large upward shift in the need for services provided by charitable organizations and government agencies. There are even some areas of need among lower-age seniors, in for example the 60-70-year-old band that could well decline, particularly as our economy improves.

But the demand for social services is likely to remain strong or increase for several identifiable segments of the population: seniors above age 70; lone-parent families with young children and headed by a female lone parent; immigrants, both recent arrivals without strong educational qualifications and long-time immigrants who are elderly; minority groups such as Aboriginal people; and families and individuals living in persistent low-income circumstances.

And while the demand by such sub-populations may rise, we can conjecture that the capacity of charitable organizations to respond will not change according to that demand; rather, increased social capacity, outside of government, will depend largely on public policies or decisions by provincial or federal governments regarding what should be the division of social labour between the charitable sector and the public sector.



AFTERWORDS:

(i) IMPEDIMENTS TO EFFECTIVE FUNCTIONING FOR CHARITIES

While facing the potentially rising or shifting demand for social services, charitable organizations are also struggling with numerous impediments to their effective functioning. Among these impediments are:

- large donations increasingly being made with strings attached;
- a disproportionate share of donations going to a small number of large, high-profile organizations (particularly in metropolitan centres) and far fewer charitable dollars going to smaller, grass-roots organizations, especially in medium- and small-sized communities;
- rising instability and unpredictability of organizational revenues due to changing government funding priorities and policies (governments provide more than half of charitable revenues);
- increasing demand for accountability and reporting to funders;
- a shrinking pool of committed and flexible volunteers, being replaced gradually by episodic and short-term volunteers;
- low salaries for paid staff;
- an increasingly competitive environment, as many charitable organizations attempt to achieve greater economies of scale by expanding their size or span of activity, sometimes at the expense of neighbouring organizations;
- pressure to deal with the growing number of contract, liability and other legal issues; and
- broadly speaking, the “corporatization” of their operations; this includes standardization and centralization of procedures, expansion of hierarchical structure (bureaucratization), professionalization and, perhaps above all, becoming more efficient and “business-like.”

The root of many of these trends are found in either the struggle for adequate and stable resources, or in the changing social conditions in many communities.

(ii) FUTURE SUPPLY OF CHARITABLE DONATIONS

The major demographic trends that exist in Canada intersect with the main characteristics of givers in ways that make it difficult to predict where charitable giving will go in the future, but there are some important possibilities to consider:

1. Giving is age-related. The life-cycle profiles of giving over time (in the last 10 years) show that average dollars donated are higher after age 65 than in the mid-life years. Income and wealth rise throughout a person's lifetime, while at the same time expenses decline (mortgages and debt are paid off, children leave home). As the large number of baby-boomers move into their retirement years, charitable dollars should rise considerably.
2. Immigrants tend to give less often (a lower rate) and give fewer charitable dollars during their early years in Canada (see the notes on low income problems for new arrivals). But after 10-15 years in Canada, their giving rate (80%) equals that of the Canadian-born (79.8%) and their average annual donations (\$320) are higher than the Canadian-born (\$251). Since the immigrant population is growing faster (+13% 2001 to 2006) than the native-born population (+3.3%), immigration could actually increase charitable dollars in the future.
3. The presence of dependent children in the household encourages charitable giving among their parents. The dependency ratio for children 0-14 will remain basically flat in the future, so there should not be a major change in child-prompted giving.
4. Religious giving is a very important source of charitable dollars, particularly among those who attend religious services regularly. There has been a decline in religious observance since 1985, but the decline appears to have bottomed-out around 1995 and has remained fairly stable (at about 31%) since then (Clark and Schellenberg, 2006). If true, this trend will not reduce the level of total giving. Moreover, among the religious, it is the older individuals (55+) who are the main source of this religious giving, so again, the growth of the elderly cohort may contribute to increased charitable giving.
5. Notwithstanding the trend above, there is one potential source of downward pressure on charitable dollars. Protestants give substantially more per donor than other religious groups, and between 1991 and 2001 Protestants were the only religious group in Canada that declined as a proportion of the population (Census, 2003).



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