

# Cutting Through the Fog

Why is it so hard to make  
sense of poverty measures?

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## About This Paper

This paper was prepared by Metcalf Innovation Fellow John Stapleton, and Richard Shillington of Informetrica Limited. John Stapleton worked for the Ministry of Community and Social Services in the areas of social assistance policy and operations in senior positions for 28 years. Since leaving government, John works as a social policy consultant with governments, think tanks, and community groups. Richard Shillington has conducted research for over 30 years on health, social, and economic policy. He has worked variously for governments, the private sector and NGOs locally and internationally. He also provides commentaries for television, radio, and newspapers on issues of taxation, human rights, and social policy.

Richard Shillington, Michelle Lasota and Laura Shantz and reviewer Michael McCracken of Informetrica Limited provided the Foundation with a series of working reports, which provided the basis for this paper. These papers can be downloaded from our website at [www.metcalffoundation.com](http://www.metcalffoundation.com).

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## Challenge the “evidence”

There was a cartoon in a Canadian newspaper almost a decade ago that showed two newspaper kiosks, one with the headline “Poverty on the Rise,” and the other “Statistics Exaggerated.” Between them on the sidewalk sat a bedraggled-looking fellow holding out his cap.

That cartoon could have been published any number of times in the last 10 or even 20 years because for a long time debates over poverty measures have been mired in statistical arguments that go nowhere.

*Cutting Through the Fog* emerges from frustration with the way in which discussions of poverty and related issues are so often obscured by the use of different measures that are neither clearly explained nor justified.

Listening to debates that simply throw contradictory numbers back and forth, with little or no explanation, may lead some Canadians to tune out the issues altogether or just pick a side based on who talks more convincingly.

This paper is intended to open up some room for thoughtful discussion about poverty issues among interested Canadians. The goal is not to tell anyone what to think, but to encourage all of us to question. A vibrant democracy needs engaged citizens who are critical thinkers about public policies.

Data can be presented in many different ways, depending on the goals of the person or group providing the data. It is important to question *what* is being measured, *how* it is measured, and *when* it was measured.

There are almost always alternative ways to interpret statistical and economic information. Questions need to be asked. What are the alternative methods for interpreting the data? Are they valid? If so, what do they show?

The implications and assumptions that underlie various measures are well known to technical experts and to some politicians. These groups can use these facts and figures most effectively to argue their positions. They should be challenged to back up their “evidence” and explain why their use of data is any more legitimate than their critics’.

### What is behind the numbers?

It is relatively easy to manipulate numbers to make a case. One way is to pick a particular time period to measure, depending on what you want to prove. If you want to minimize the unemployment issue, you might pick a point in time when unemployment was high so that the current number doesn't look so serious in comparison. Or, if you want to show a big jump in the rate, you could pick a point in time when economic growth was strongest and joblessness was low.

There is nothing wrong with using different time periods as long as their use is transparent (e.g. compared to the last recession, this isn't so bad...or there have been huge job losses over the last six months).

The unit that is chosen for measurement will make a difference to the numbers. For example, you can talk about average incomes among individual Canadians or you can look at average incomes among family units. Both are legitimate calculations, but they will produce different results.

The impact of a tax change can be presented in different ways. For example, if a person earning \$20,000 a year, who paid \$1,000 in taxes last year, gets a tax cut of \$400, that dollar amount could be presented as:

- 5% of the person's income (\$400 as a % of \$20,000), or
- 40% of what the earner used to pay in taxes (\$400 as a % of \$1,000).

Both versions are correct. But one calculation may make the income-earner feel better off than the other.

Sometimes, confusion comes from how data is presented. If the unemployment rate goes from 7% to 9%, it is often shown as an increase of 2%. The difference between 7% and 9% is two percentage *points*, which is a 28% increase. Showing the increase as 28% gives quite a different impression in the public's mind than 2%.

Being critical of the statistics used as "evidence" for a point of view involves finding out what assumptions underlie the numbers. For example, you might hear that:

- the percentage of Canadians living in poverty is around 15%...or only 5%, or

- Canada's Employment Insurance (EI) program covers approximately 85% of the unemployed...or only 45%.

These numbers are important barometers of the success of public policies and programs, such as income supports that are aimed at lifting people out of poverty. If EI is supposed to provide income to the unemployed when the economy is not producing enough jobs for everyone who needs one, then the number of Canadians who benefit is relevant to the fulfillment of EI's mandate.

How can we tell how well policies and programs are working when the numbers do not agree – when they are not even close?

The gap between these statistics is so large because they measure different things. Which numbers are used in a debate probably depends on which side you are on – whether you believe, for example, that the EI program should be expanded to cover more working people or it's just fine the way it is.

We will get back to EI, but first, let's look more closely at measuring poverty levels.

## Who is poor in Canada?

Who is poor in Canada? It depends on the measure used, and that depends on who is measuring. Different researchers use different criteria.

- If poverty is defined as including only those whose physical existence is endangered, then a very small percentage of Canadians are poor – about 5% according to the Fraser Institute.<sup>1</sup>
- If poverty is considered in relation to community norms and standards and being poor means that a person cannot fully participate in society, then the poverty rate is around 12% to 15%. This definition is used by anti-poverty organizations.

Canada does not have an official poverty line – an income level below which someone is considered poor, depending on family size and where they live – adopted by federal and provincial/territorial governments. The closest thing to an official poverty measure, according to the federal government’s own documents, is one for which data are no longer being collected: the Low-Income Cut-offs or LICOs (before and after taxes).

LICOs set an income threshold based on spending on necessities as a percentage of income (people on low incomes spend a higher percentage of income on necessities than people with higher incomes).

LICOs have a long history, but they are increasingly out-of-date because Statistics Canada has not updated them and no longer collects the data that would allow them to be updated. LICOs reflect 1992 spending patterns.

Statistics Canada has said variously that LICOs should not be used as poverty lines and that they do not measure poverty, but rather those who are worse off than the norm. However, Canada reported to the United Nations in 2005 that: “While Canada has no official measure of poverty, the Government of Canada typically uses Statistic[s] Canada’s after-tax low-income cut-offs (LICOs) as a proxy.”<sup>2</sup>

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<sup>1</sup> Sarlo, C. (2008). “What is Poverty? Providing Clarification for Canada,” *Fraser Institute Digital Publication*, May 2008, Accessed 3 Dec 2009, from [http://www.fraserinstitute.org/commerce.web/product\\_files/What\\_is\\_Poverty.pdf](http://www.fraserinstitute.org/commerce.web/product_files/What_is_Poverty.pdf).

<sup>2</sup> Government of Canada. (2005). “Implementation of the International Covenant on Economic, Social and Cultural Rights: Fifth periodic reports submitted by States parties under articles 16 and 17 of the

There are two other measures of poverty levels that have been used widely in Canada.

- **Low-Income Measures:** LIMs set an income threshold relative to median family income. The median means half of family incomes are above it and half are below it. A poverty level of 50% or half that median income is commonly used for the LIMs (before and after tax).
- **Market Basket Measure:** MBMs are based on the cost of a basket of goods. What is in the basket was developed by officials at the federal department of Human Resources and Social Development Canada (HRSDC). The basket includes food, shelter, clothing, transportation and other necessary household goods or services. The cost of a basket of goods varies depending on where you live. The cost of a basket of goods is compared to disposable income to determine low income.

The LIM is relatively straightforward and is useful for comparisons with other countries. An assumption behind this kind of comparison is that being poor is relative to a nation's standard of living. Half the median income in a developing country will be much lower than half the median income in Canada.

The Market Basket has the advantage of clarity in describing a basket of goods, but the validity of what is in the basket is arguable (e.g. five pairs of long underwear, but no computer access) and it has a very complex definition of income.

These poverty measures (LICO, LIM and MBM) do not lead to dramatically different poverty rates at the national level.<sup>3</sup> But there can be important differences between these measures when considering geography (by municipality or province, for example) and family composition (single individuals, families with children, etc.)

Most of us have no idea of the complexities of the data mining required to produce income data and comparisons. But it should be possible to ask some useful questions when there is a debate about the size of the problem of poverty.

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Covenant." United Nations Economic and Social Council, Substantive sessions 2006. 17 Aug 2005, paragraph 121, p.29. Accessed 19 Nov 2008, from [http://www.unhchr.ch/tbs/doc.nsf/898586b1dc7b4043c1256a450044f331/4f07de4ea236e858c125711500574ff8/\\$FILE/G0543784.pdf](http://www.unhchr.ch/tbs/doc.nsf/898586b1dc7b4043c1256a450044f331/4f07de4ea236e858c125711500574ff8/$FILE/G0543784.pdf).

<sup>3</sup> Analysis using the LICO, LIM, and MBM found rates from 11% to 15% for 2006, using Statistics Canada microdata. Informetrica calculated the figures using Statistics Canada microdata files (SLID 2006), "Low Income in Canada: 2000-2004."

- What are the assumptions underlying the measures being used? How are they justified?
- Poverty as physical survival – what does that mean in real life to a family with children, for example, or a single person living alone?
- Poverty as relative to living standards – what is being measured and why? If a market basket is used, what's in it? How are differences in the living standards of different communities and family units reflected? When was the measure last updated?
- In terms of the size of the problem, what about depths of poverty? How many people are living just below half the median income and how many are far below?
- Since we consider ourselves a sophisticated democracy, why can't we have a standard poverty measure that is tracked over time?

## Who are the working poor?

Defining the “working poor” is a classic case of conflicting measures getting in the way of thoughtful debate. Not only does it involve questions of what constitutes a poverty-level income, which we have just discussed, but it also gets into such thorny issues as:

- how long somebody has to work (number of hours or weeks) to be counted as working;
- how much of their income has to be from earnings (all of it?, half of it?); and
- who can be included (part-time workers?, self-employed?) in the category.

The definitions are all over the map. For example, you can say that as soon as there is a dollar of earnings from anyone in a family, then the family can be categorized as “working.” Whether or not they are considered “poor” will depend on the poverty measure (level of income) used.

Here are some other definitions:

- In a 1981 report, the National Council on Welfare (NCW) defined the working poor as families whose income is below the LICO and who earned more than half of that income from wages and salaries or from self-employment.<sup>4</sup>
- The Canadian Council on Social Development (CCSD) has defined working poor families as those in which the household head and his/her spouse (if applicable) have at least 26 weeks of employment between them.
- A researcher on working poverty for HRSDC defined it as 910 hours of employment by at least one adult in a family who is not a full-time student or a senior (must be aged 18 to 64).<sup>5</sup> The working time required is about half the normal hours for a full-time employee; the person could be a full-time employee for half of the year or be part-time throughout the year.

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<sup>4</sup> National Council of Welfare. (1981). *The Working Poor: People and Programs*. ISBN 0-662-11505-8.

<sup>5</sup> HRSDC. (2007). *The role of family and government financial supports in helping Canadian workers avoid poverty*. Myriam Fortin, Human Resources and Social Development Canada. SP-678-04-07E, ISBN 978-0-662-45926-2, October 2007, i.

The federal government has a new program, called the Working Income Tax Benefit (WITB), designed to assist the working poor, which uses none of the above.

To qualify, a single person must not be a student for more than 13 weeks, and must have earned at least \$3,000, but no more than \$13,403 in the calendar year. To illustrate, that would mean the person must have a minimum of 315 hours and no more than 1,410 hours worked at Ontario's 2009 minimum wage. The maximum tax credit that a single, non-disabled individual in Ontario can get in 2009 is \$522.<sup>6</sup>

You might hear that people with low working incomes have chosen to work part-time. That may be true for some people, but not others. Some people may have low incomes because they can't find full-time work or they work in a seasonal industry and can't find an off-season job. The statistics on how many Canadians are working part-time by choice varies, depending on who gets counted.

- Statistics Canada's 2008 Labour Force Survey found that 31.5% of those aged 25-44 who worked part-time were working these jobs because they could not find full-time employment.
- If the entire working-age population (age 15+) is used, the proportion of part-timers who couldn't find full-time work is lower (22.6%), but it is still close to one-quarter of this group. It is a lower percentage because students, who make up almost a third of all part-time workers, are included.<sup>7</sup>

And then there are the people who work full-time. While workers are guaranteed a minimum wage (which varies by province), this wage does not guarantee that workers will have adequate resources to provide for themselves and any dependants. For example, someone earning \$10.25 per hour for 30 hours per week will have before-tax annual earnings of only \$15,990.

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<sup>6</sup> Canada Revenue Agency. (2009). "Working Income Tax Benefit." Accessed on 3 Dec 2009, from <http://www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html>. Of note, the benefit ranges quoted are for an able-bodied single individual.

<sup>7</sup> Statistics Canada. (2009). *Labour Force Historical Review 2008*. cat. 71F0004XCB, Ottawa: Statistics Canada.

What that says is that you can work six hours a day, five days a week, for a whole year and still be poor, measured against the 2006 before-tax LIM at \$17,437.<sup>8</sup>

To determine the accuracy of a definition of the working poor, you should consider the *validity* of the estimate. The following questions provide some critical reflections that you may want to consider:

- Are the following groups included or excluded?
  - Part-time employees;
  - Seasonal workers;
  - Students; or
  - Self-employed workers.
- Is the measure based on a dollar threshold, hours or weeks worked? Is the hours/weeks measure *reasonable* (i.e. would a person working for 25 weeks be considered working poor)? If they were working full-time during this period? If they were working part-time?
- What is the researcher/writer trying to argue or prove?
- Against which poverty measure/income threshold are the working poor's incomes compared? Is this reasonable?

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<sup>8</sup> LIM calculated using Statistics Canada microdata files (SLID 2006), "Low Income in Canada: 2000-2004."

## Benefits for children of the poor

The working poor can also be the welfare poor. That may not sound logical, but people who work at the margins of the employment market may gain and lose jobs more than once over the course of a year. If they have no savings to carry them through to the next job, they may resort to social assistance, especially since they likely don't have enough work hours to qualify for EI benefits.

An issue where public policy has separated the working poor from the welfare poor involves benefits for children. Child benefits are provided to the majority of families through the Child Tax Benefit. The National Child Benefit Supplement provides extra support to low-income parents.

The National Child Benefit initiative was designed to, "...prevent and reduce the depth of child poverty in Canada, promote labour market attachment by ensuring that families will always be better off as a result of working, and reduce overlap and duplication by harmonizing program objectives and benefits across jurisdictions."<sup>9</sup>

Parents who receive social assistance or what is often referred to as welfare receive this benefit for their children in a direct payment from the federal government. When the initiative was launched in 1998, almost all provinces and territories (the level of government that administers social assistance) reduced welfare payments to parents by all or part of the amount of the federal child benefit.

The rationale was that this would help parents to overcome the "welfare wall," which is the trap that people find themselves in when they are better off receiving support from welfare than other sources of income such as child support or employment. The child benefits paid under the National Child Benefit are a supplement to the family's working income when they leave welfare.

However, the deduction of all or part of the child benefit from welfare payments to parents generated a major controversy because it meant that

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<sup>9</sup> HRSDC. (2009). *National Child Benefit (NCB)*. Accessed on 10 June 2009, from <http://www.hrsdc.gc.ca/eng/cs/sp/collaboratives/9999-000109/ncb.shtml>.

families receiving welfare were no better off or hardly better off than they were before the National Child Benefit initiative began.

The deduction from welfare payments was called either a “clawback,” which has a negative connotation, or an “offset,” which sounds neutral. In 2009, only three Territories and PEI maintain a clawback/offset. However, there is still disagreement over whether some other provinces are still cutting benefits to families receiving welfare.

The argument is based on completely different assumptions about what constitutes an end to the clawback/offset. Provincial governments that have raised welfare rates point to those increases and say that they have ended the clawback/offset of child benefits. But that does not satisfy commentators who consider the increases in welfare payments to be related to increases in inflation and not to the clawback/offset. There is no resolution in sight as long as the assumptions used to make each case are different.

There is also debate over what the provinces and territories did with the money saved on their welfare budgets. The agreement with the federal government was that these funds would be redirected to children’s programs. Most jurisdictions put the funds into child care, which mostly helps working parents.<sup>10</sup>

If you are listening to one of these debates, you might consider focusing the argument on what families with children live on:

- What does welfare provide to a single parent with two children, for example? How much does that parent receive in child benefits? What happens in terms of income and benefits when that parent leaves welfare?
- Has your province/territory studied whether the National Child Benefit has helped parents overcome the welfare wall? What did the study show?
- Where has your province/territory directed the money saved from the clawback/offset? How many low-income parents have benefited? Were any of them receiving welfare?
- Are children on welfare better off now than they were before the NCB? Were they helped by the NCB?

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<sup>10</sup> National Child Benefit. (2008). *The NCB Progress Report, 2006*. Ottawa: Human Resources and Social Development Canada.

## Counting the unemployed

Poverty is often seen as a problem of unemployment, and employed people, generally speaking, are much better off than those without jobs. The unemployment rate, however, is limited as a measure of poverty because it does not include everyone who is out of work. Counting the unemployed is not as straightforward as you may think.

Statistics Canada conducts the Labour Force Survey (LFS), a national survey that provides data on employment in Canada.<sup>11</sup> The LFS survey counts employment and unemployment during a particular week, called the reference week. All of the measures quantify what those who are surveyed were doing during the reference week and the three weeks before it.

The labour force consists of everyone aged 15 or older who is not in the military or institutionalized and who was either employed or unemployed during the reference week. People who are neither employed nor unemployed are considered to be not in the labour force. They do not show up in any of the labour force statistics.

The employed are people who did any paid work during the reference week, or who were employed, but not at work (e.g. on vacation, on sick leave, etc.).

The definition of unemployment is more complex. It is not merely the number of people without a job. According to Statistics Canada, there are three ways to be classified as unemployed. A person can:

- have actively looked for work in the past four weeks, and be available to work;
- not have actively looked for work, but be on temporary layoff and available for work; or
- not have actively looked for work in the past four weeks, but have a new job to start in four weeks or less from the reference week, and be available for work.

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<sup>11</sup> For more information and full definitions for each of the terms, see: Statistics Canada (2009) *Labour Force Information* (cat. 71-001-x), Ottawa: Statistics Canada. Statistics Canada (2009) *Guide to the Labour Force Survey* (cat. 71-543-G), Ottawa: Statistics Canada.

The official unemployment rate (i.e. the one that is released every month and reported on the news) is calculated by dividing the number of unemployed persons by the labour force.

This rate does not include those who do not have jobs and are not actively looking for work. Thus, many people are not *employed*, but are not *unemployed* either, at least according to the official definition.

Many of us look to the unemployment rate as an indicator of how well the economy is doing. But the ups and downs of the rate can be confusing. When a lot of people give up job searches (they are called “discouraged” workers) because there are so few jobs available for which they are qualified, the unemployment rate can go down, even though job creation is low. Similarly, when more jobs are available many of these people will start looking again, leading to an increase in the unemployment rate.

Unemployment rates do not assess whether or not the people looking for work can *do* the work; if new jobs are created, they will only benefit workers who are trained to work in those jobs, not necessarily the people who are unemployed.

Statistics Canada publishes employment rates for regions and provinces, but these are not as widely reported. Based on the data collected, you can determine the employment and unemployment rates for men and women, different age groups, and different occupational classifications and industries.

For a more complete view of the unemployment rate, you can look at the summary information that is published with the rate. It provides highlights about *where* jobs are being gained or lost, the *industries* affected, and *changes* from month to month. These additional pieces of information will help to shed light on what the rate means for your local area. Statistics Canada also provides information on long-term unemployment, that is workers who have been jobless for six months or more, and a year or more.

In a discussion of unemployment, you might keep the following questions/issues in mind.

- Why has the unemployment rate changed? If it has declined, is it because of new job creation or have more Canadians given up looking for work? If it went up, is the economy shedding jobs or are more people looking for work?

- Where are the hot spots for unemployment across Canada – regionally, provincially, locally? Where is the job market strong?
- What kinds of jobs are being created? Do the people who are looking for work have the necessary skills for those jobs?
- Where is longer-term unemployment (more than six months or a year) a big problem?
- If you hear that Canada's unemployment rate is higher or lower than that in other countries, ask for more detail. The International Labour Organization (ILO) sets guidelines for determining employment and unemployment rates, but there are still measurement differences between nations.

## Who is covered by Employment Insurance?

Employment Insurance (EI) benefits are designed to provide income support to those who are unemployed to assist them in returning to paid employment. EI is not, however, available to all unemployed people, or even to all unemployed people who have *paid into* the program. Only those who meet a set of criteria qualify for benefits.

To qualify for EI, a working Canadian must have insurable earnings, that is, he or she must have paid into the EI program. Thus, self-employed and contract workers have been excluded in the past. To qualify for benefits, an individual must have “qualifying unemployment.” They must:

- be available for work, and
- not have been fired for cause or have quit.

He or she must also have “sufficient labour force attachment,” which means having worked for a minimum number of hours over the past year. The minimum number of hours depends on the region and the local unemployment rate. In addition, there is a maximum period for receiving benefits.

Canadians who pay into the EI system while they are employed will be ineligible for EI benefits if they:

- work insufficient hours – many people are ineligible for EI because they were sick or on maternity leave in the past year;
- lose their job without being laid off (i.e. those who quit or are fired for cause);
- are unavailable for work (e.g. students and migrant workers who have difficulty demonstrating they are available for work); and
- have exhausted (used up) their benefits.

Because there are many people who work and who are not eligible for EI, there is ongoing debate over EI coverage. And there are multiple ways to measure EI coverage. Some of the key measures include the following:

- **Beneficiary-to-Unemployed Ratio (B/U Ratio):** This is a ratio of the number of people who are actually receiving EI benefits compared to all

of those who are unemployed, not just those who qualify for EI. The unemployed include the self-employed, voluntary quits and firings, students, and those with insufficient hours to qualify for EI benefits. In 2005-2006, the B/U ratio was 44.8%.<sup>12</sup>

- Percentage of the unemployed who are targeted by the EI program and eligible to collect regular EI benefits: This calculation, which is used by HRSDC, includes workers who contributed to EI, were laid off, are available for work, and are eligible for benefits. In 2005-2006, the percentage receiving EI was 83.4%.<sup>13</sup> The other 16% are those eligible for EI who are not receiving benefits; many of them will have exhausted their benefits. This calculation includes only EI contributors, not the self-employed.
- Potential Coverage of the Employed Population: This measure, also used by HRSDC, shows how many people currently in the paid labour force (excluding the self-employed) would be eligible for EI if they lost their jobs through a layoff. This measure relies on a hypothetical scenario about benefit eligibility for all currently employed people if they were laid off, had paid into the EI system, and had enough hours to be covered. The potential coverage is approximately 88%.<sup>14</sup>
- Beneficiaries as a Percentage of Unemployed Contributors: This measure looks at the adequacy of the length of benefit coverage (i.e. do the benefits cover recipients until they find new jobs?) as well as the uptake rate of EI; that is, how many people who paid into the program are actually receiving benefits. This measure excludes the self-employed and contract employees, but does include those who were not laid off, as well as those who are unavailable for work or who have not worked enough hours to qualify for benefits. In 2005, according to the EICS, approximately 63.1% of contributors received benefits.<sup>15</sup>

These different measures indicate how many seemingly conflicting statements can be accurate. The coverage depends on who is being counted in the measurement – everyone who is out of work and looking for a job or only EI-eligible workers. Or is it a hypothetical number that assumes everybody will have enough hours of work to qualify?

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<sup>12</sup> HRSDC. (2006). *Report on Plans and Priorities, Section II: Program Activities by Strategic Outcome, Policies and Programs that meet the Human Capital and Social Development needs of Canadians. A. Policy, Research and Communications*. Ottawa: Treasury Board Secretariat.

<sup>13</sup> Ibid.

<sup>14</sup> HRSDC. (2006). *Summative Evaluation of EI Part I: A Summary of Evaluation Knowledge to Date - June 2006*. Ottawa: HRSDC.

<sup>15</sup> Employment Insurance Coverage Survey (EICS) data from Statistics Canada/HRSDC.

Monitoring and Evaluation Reports on EI are published by HRSDC. These are in response to recommendations of the Auditor General for a full evaluation of the EI program and a documentation of the impact of the changes brought forward under the *EI Act*, including both *policy* and *program* effects.<sup>16</sup>

Data on EI is available from HRSDC, as well as through the Employment Insurance Coverage Survey (EICS), conducted by Statistics Canada on behalf of HRSDC. The EICS is a survey of the unemployed that examines the coverage of the EI program.<sup>17</sup>

One of the ways to sort out the differences in approaches to measuring EI is to look at the purpose of the measurement.

- Is this measure about how well the EI program is delivering to its target population, that is, the people who qualify for benefits under the current rules?
- Is this measure about how well EI policy is serving Canadians who *pay into* the program?
- Is this measure about how well EI policy serves all Canadians who are out of work?

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<sup>16</sup> Office of The Auditor General. (2003). *Report of the Auditor General of Canada to the House of Commons, Chapter 7: Human Resources Development Canada and the Canada Employment Insurance Commission – Measuring and Reporting the Performance of the Employment Insurance Benefits Program*. Ottawa: Office of the Auditor General of Canada.

<sup>17</sup> For more information, see: Statistics Canada. (2009). *Employment Insurance Coverage Survey (EICS)*. Accessed on 2 Jun 2009, from <http://www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=4428&lang=en&db=imdb&adm=8&dis=2>.

## Conclusion

One of the goals of a democracy like Canada's is to encourage constructive and informative dialogue that leads to positive change. Such dialogue – in which people listen and try to understand each other and the facts of the issue – is becoming increasingly scarce.

Public policy debates, particularly in the political arena, are often about scoring points at the expense of one's adversary. Sometimes, the point is irrelevant or misleading, and it may leave the public confused about who or what is right. But if it sounds good, in this era of polarization, it is considered a victory.

Yet, if we are going to have useful, constructive debates in this country, we need relevant facts and we need to understand the assumptions underlying those facts. This paper has attempted to arm interested Canadians with some questions to challenge public policy-makers and pundits.

It is said that we only pay attention to what we measure. But if we approach important policy matters with a lot of contradictory measurements, we are unlikely to develop the consensus to act. If we don't make sense of poverty measures, we will limit our ability as a society to make good decisions about poverty and related issues.

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