

Title: *Low income measurement; what do different measures tell us*

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Even though Canada does not have an official measure of poverty, Statistics Canada has been producing Low Income cut-offs since the early 1960's. (LICO's). The LICO's are a relative measure of low-income and they indicate the proportion of people who have to spend significantly more than the average on necessities. Necessities are defined as food, clothing and shelter expenditures.

Since the early 2000's, a market basket measure (MBM) of low income has also been produced in Canada. This is closer to an absolute measure of low- income and it calculates the cost of a fixed basket of goods.

Low incomes measures are also calculated even though rates are typically not produced because LIM's do not tend to be sensitive enough to business cycles. And around Europe, Laeken indicators are produced.

The paper begins with an overview of the various low income measures. Various low income rates will be compared to describe to which extent various low income measures complement themselves. Specific target groups such as children, seniors and people with disability will be examined to see to which extent their situation is pictured differently under various low-income measures. The paper will also briefly look at the impact of the choice of a specific income concepts since the various indicators use different income concepts. The paper will conclude with some overall recommendations and possible future research directions.