

### **Definition/Description:**

Low Income Cut-off (LICO), also known as poverty status, refers to income levels at which families or unattached individuals spend 70% or more of their income on food, shelter and clothing.

Past expenditure patterns indicated that Canadian families spend about 50% of their total income on food, shelter and clothing. It was arbitrarily estimated that families spending 70% or more of their income (20 percentage points more than the average) on these basic necessities would be in "straitened" circumstances. With this assumption, low income cut-off points were set for five different sizes of families. These cut-offs have been updated yearly by changes in the consumer price index.

People living in poverty face difficult challenges that may ultimately have an effect on health and well-being. While the majority of WHR families do not live in poverty, special attention needs to be paid to this issue. Census information is provided on poverty status based upon "low-income cut-offs" also known as LICO. These dollar-values vary by family structure and geography. The incidence of low income (poverty status) in the WHR in 2000 was 20.0% of the population in private households. This measure is further sub-divided to report incidence of low income for unattached individuals and those in economic families. In the WHR, those who were unattached individuals were nearly three times more likely to live in low-income status than those in economic families (44.0% and 15.0%, respectively).

### **Source:**

[http://www.wrha.mb.ca/howcare/decsup/files/population/Census\\_2001.pdf](http://www.wrha.mb.ca/howcare/decsup/files/population/Census_2001.pdf)