

Indicator 5.3.3

Regional Income Distribution

[1] Foothills Model Forest value

Multiple benefits for society.

[2] Objective

To contribute to the social and economic health of the Foothills Model Forest region.

[3] Statement of indicator

Regional income distribution.

[4] Indicator measure

The measures for this indicator are median household income, range of income, and incidence of low income by region. This indicator is updated every five years based on the Census of Canada. Data from the 2006 Census of Canada became available after the first quarter of 2008; however, it was not available at the time of writing.

Income is reported for three jurisdictions in the Foothills region: Hinton, Jasper, and Yellowhead County (YHC), the organized rural municipality outside these two towns.

[5] Rationale for indicator

a. Significance of indicator to landscape-level management

Policies that support certain kinds of landscape management, such as large-scale industrial tenures or smallholder leases, result in a variety of employment opportunities and economic benefits that are derived locally. These decisions about how landscapes and natural resources are managed have implications for who can participate in the local economy, the nature and extent of local employment opportunities, and the distribution of employment income within the region.

b. Meaning of indicator

Household income refers to the income of a person or a group of persons occupying the same dwelling, or that of a group of unrelated persons occupying the same dwelling, or that of one person living alone. Income distribution

is the percentage of total households reporting total income within a discrete range or category (in \$10,000 increments). An economic family is defined as a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common law or adoption. Low income is the proportion or percentage of economic families in a given classification below the low income cut-off (which varies by size of family and size of community).

c. Relation of indicator to Foothills Model Forest and to sustainability

The distribution of material resources within a given community is one way of measuring equity. Therefore, an assessment of income distribution allows us to examine concentrations and deficiencies in wealth. If employment income is seen to be evenly distributed, then it is likely that a larger proportion of the community is benefiting from the local economy. On the other hand, if employment income is concentrated among a small proportion of residents, then questions may arise regarding equity and long-term community well-being.



Median household income across Foothills Model Forest regions, as well as across Alberta and Canada, increased substantially from 1981 to 2001

[6] Current Status of indicator

The figures below illustrate changes in several economic measures during the period from 1981 to 2001.

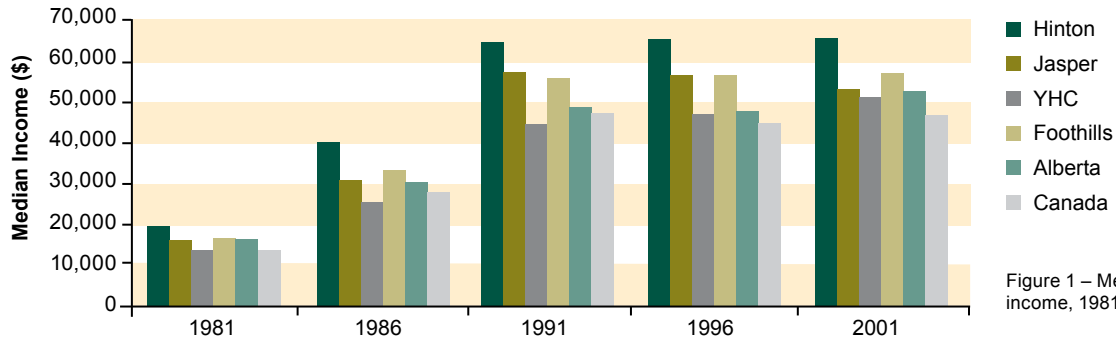


Figure 1 – Median household income, 1981-2001

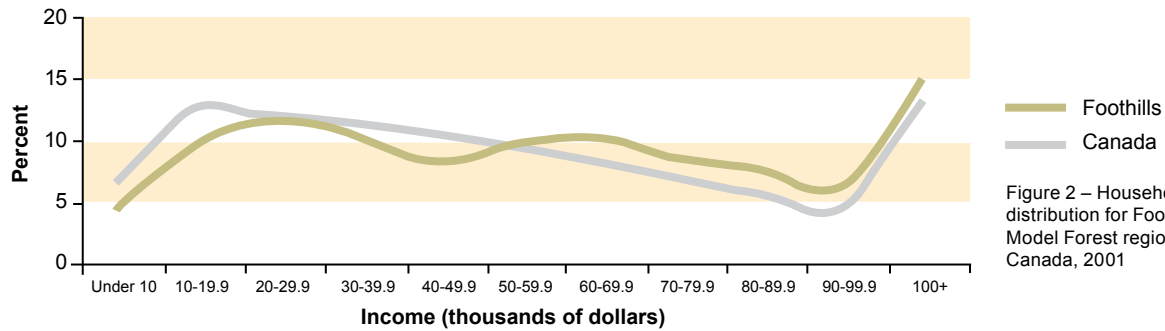


Figure 2 – Household income distribution for Foothills Model Forest region and Canada, 2001

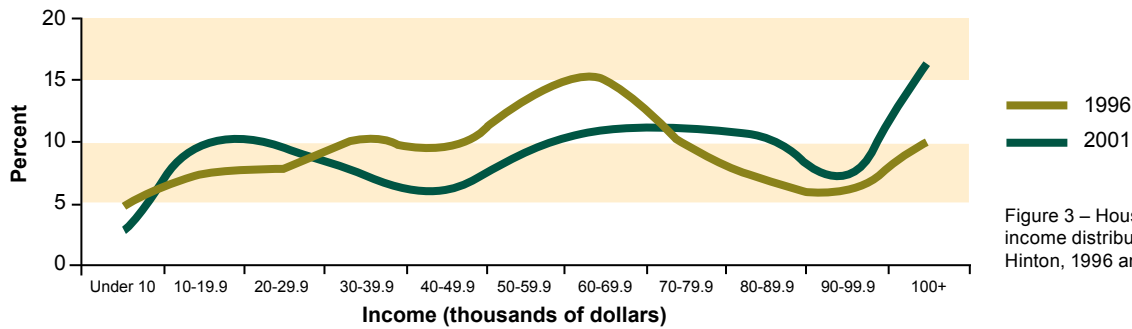


Figure 3 – Household income distribution, Hinton, 1996 and 2001

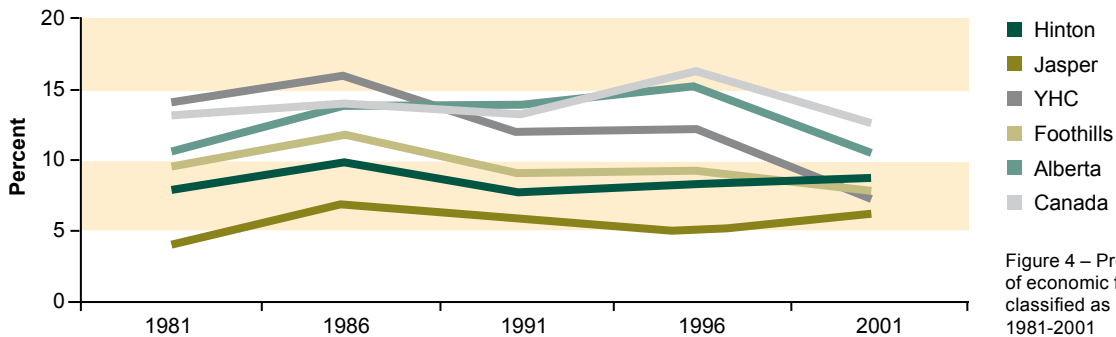


Figure 4 – Proportion of economic families classified as low income, 1981-2001

[7] Interpretation

As expected, median income in 2001 across Foothills Model Forest regions, as well as across Alberta and Canada, is substantially higher than in 1981. Figure 1 demonstrates that the increase in median household income was less dramatic between 1991 and 2001, with very little growth during this period. In all years, Hinton has the highest median income, and the gap between median income for this jurisdiction and the nation as a whole becomes wider after 1981. Jasper has the lowest median income, and, unlike Yellowhead County (YHC) and Hinton, experienced a slight drop in median income between 1996 and 2001.

According to Figure 2, the income distribution for the Foothills Model Forest region is slightly different than the national trend, as most curves have three, rather than two, distinct high points. These high points are represented by the following income categories: \$10,000--\$29,999, \$69,999 --\$79,999, and \$100,000 or more. Household income distribution has changed significantly from 1996, especially for Hinton and Yellowhead County.

In Figure 3 we see that between 1996 and 2001 there has been an increase in the number of Hinton households earning \$10,000--\$19,999, a significant drop in households earning \$40,000--\$69,999, and a significant increase in households earning over \$70,000. This indicates a hollowing-out of the middle class within the community, as a larger proportion of households find themselves in the lower or upper reaches of the income distribution.

Figure 4 shows that between 1996 and 2001, the incidence of low-income economic families dropped in all jurisdictions, with the exception of Jasper and Hinton, where it increased slightly. Jasper reports the lowest incidence of low-income economic families, at just over 5% for the period between 1986 and 2001.

[8] Rationale for allowable variance (threshold)

No variance threshold exists for this indicator. Triggers for management response depend on socially acceptable limits of change. Sharp increases or decreases in income distribution or the incidence of low income, however, will trigger dialogue and the possibility for strategic response within the region.

[9] Analytical considerations

a. Calculation of indicator

Graphs were generated from Census of Canada data from 1981 to 2001. Averages and totals were identified for each census period and reported in tabular and graphical format.

b. Special considerations

There are no special considerations for this indicator.

[10] Responsibility

Canadian Forest Service

[11] Monitoring

This indicator is updated every five years from Census of Canada data. Data from the 2006 Census of Canada became available after the first quarter of 2008; however, it was not available at the time of writing.

[12] General discussion

In the initial status report, median household income and income distribution for 1996 were reported for towns and counties in and around the Foothills Model Forest. This report includes information on household income, income distribution and the incidence of low income. Information is reported graphically and trends are established between census years. Although average household incomes in the Foothills Model Forest continue to outpace provincial and national averages (particularly in Hinton), there are indications in the data that social equality is declining, with a larger proportion of households in both the lower income brackets and the higher income brackets. This decrease in middle class households has implications for the social sustainability of communities, and for issues such as social segregation and social fragmentation.

Details and background for this indicator can be found at MacKendrick, N.A. and J.R. Parkins. 2004. Monitoring community sustainability in the foothills model forest: A 2001 Census Update. Report to the Foothills Model Forest.

http://foothillsresearchinstitute.ca/Content_Files/Files/SS/SS_report6.pdf