

Poverty 2011

**Local, Provincial, National and International
Perspectives**



Introduction

This literature review took place from December 2010 to June 2011 as part of a strategic planning deliverable to inform the Ridge Meadows Early Childhood Development Committee where we are currently situated in terms of poverty. Included in this report are statistics, articles and reports that show where we are at locally, provincially, nationally and internationally in terms of: definitions of poverty; statistics that relate to poverty; factors that decrease poverty; and policies that support poverty reduction.

This report, in conjunction with the 2011 Parent Barriers Report, will enable the Ridge Meadows Early Childhood Development Committee to inform community about the affects of poverty on our communities as it relates to early childhood development.

All material referenced in this report is located in this binder and categorized at the local, provincial, national and international levels.

Definitions of Poverty

Canada has no official way to measure poverty. The 2010 Child Poverty Report Card uses the before-tax Low Income Cut-Offs (LICO) produced by Statistics Canada. However, Statistics Canada also uses 2 other ways to measure national poverty rates via the Low Income Measure (LIM) and the Market Basket Measure (MBM) developed by Human Resources and Skills Development Canada. The LIM thresholds are Canada wide and no variation is in place province to province or by size of community. The MBM is potentially a useful tool for it encompasses the previous variation and also takes into consideration the cost of transportation for rural communities and shows greater accuracy between variations of smaller to larger communities, however; it has less data over time by which to compare these variations and also changes to the methodology for housing costs have raised concerns. LICO is therefore the most commonly used method for measuring poverty and is based on the concept that people in poverty spend a disproportionate amount of their income on food, clothing and shelter. The base year is 1992 which showed the average family spent 34.3% of its income from all sources on these three items. People are considered stressed or in 'straightened circumstances' if they spend 20 points over the average family – 54.3%. LICO takes into consideration size of family and community in the calculations for each region being measured.

There is no single, universally accepted view of the definition of poverty; rather it is a result of root cause and their interactions. Two mainstream ideas are mentioned in many reports and

articles such as First Calls 'Levelling the Playing Field for Children: A community Action Toolkit' package and UNICEF's – Report Card 9. The prevailing definition of poverty refers to income levels that inhibit people from participating in the mainstream of life, while many scholars and international poverty reduction programs also include the notion that poverty is characterized as social exclusion and argue that fighting poverty promotes a more inclusive society.

Income inequality refers to the gap between the richest and poorest. Over the last decade Canada has seen an increase in this gap which denotes evidence that the disproportionate distribution of wealth has negative impacts on people at the bottom of the scale with families reporting that they struggle even when the economy is strong.

Social exclusion goes further by introducing the notion that the widening gap of income distribution taking place causes a 'social gulf' that creates social isolation and leaves poor people short of opportunities with unequal access to participation in society and has major implications especially for children in low income households.

Statistics – local, provincial

BC Statistics – School District 42 Statistical Profile			
	SD 42	SD 42 %	BC %
2010 Population	94,894		
2006 Families with children	12,100	77.5	74.3
2006 Lone Parents	3,505	22.5	25.7
2006 Total Visible Minorities	9,685	11.5	24.8
2006 Total Aboriginal People	2,480	3.0	4.8
2005 Income Distribution			
< \$20,000	5.5%		8%
–\$20,000 – 79,000	50.2%		53.8%
–\$80,000+	44.3%		38.1%
2010 Income Assistance children (0 to 14)	2.3%		3.4%

2010 Income Assistance Single Parent Caseload	21.9%		24.3%
2010 Income Assistance children (<15) living with a Single Parent	2%		2.9%
Immigrant Arrivals (2006 and 2007/9 combined)	16,206		1,243,608

Friends in Need Food Bank		
	2009	2011
Families assisted	2851	1605
Children assisted	1637	866

Homeless Count Maple Ridge	
2011	102
2008	90

Factors in the Reduction of Poverty

Factors in the reduction of poverty include government policies that support:

- increasing minimum wage standards
- creating communities that provide a 'living wage'
- expanded affordable housing
- early learning and childcare
- affordable and accessible post secondary education and training
- Income Assistance Programs (including maternity, family, social services, disability, etc.) that reflect the current standard of living
- work/life balance for families
- services and resources that are imperative to health and development
- non-profit community initiatives

The factors above are a compilation of strategies put forth by many provinces/territories (seven in total) and countries that have created, or are creating, poverty reduction plans. The British Columbia Poverty Reduction Committee states that BC is the richest province with low unemployment and a strong economy yet has the highest poverty amongst all other provinces and territories. The issues are complex

for British Columbia and include how it is structurally based on the service sector which employs low wage standards compared to Ontario and Quebec resource economies; that our welfare system has been cut which has created an inadequate and inaccessible system of benefits especially to the most vulnerably noted groups as outlined in many reports provincially, nationally and internationally. These groups are single parent females; immigrants; disabled; visible minority families; Aboriginal Off Reserve families (Stats Canada does not census Aboriginal On Reserve) and that these groups tend to not only be at the lower end of the income inequality gap, below the poverty line, but also are at the greatest risk of social exclusion. Two experts on the economic benefits of reducing poverty, Professor James Heckman, noted scholar and Nobel Prize winner, and Richard G. Wilkinson, a researcher in social inequalities in health and the social determinants of health at the University of Nottingham explain that a narrower gap in income distribution creates better health outcomes and with investment in children and families, superior economic trade off and societal inclusion takes effect. These sentiments are echoed in the 15 by 15 policy framework prepared for the Business Council of British Columbia Opportunity 2020 Project. This report states that, “the stock of human capital in British Columbia is key to its long-term economic success” and continues with “unnecessary early vulnerability in BC costs the provincial economy a sum of money that is ten times the total provincial debt load”. This means that by investing early, society will reap the benefits of children that grow into adults that are productive and healthy with less of a burden on the health care and judicial systems. The issue for most political platforms is that the cyclical long term outcomes would take a generation to complete and our dynamic political systems are not equipped to mandate long term solutions, especially during elections when politicians are promoting short term solutions for voter buy in.

The Canadian Centre for Policy Alternatives conducted a national poll in 2008 on 2,023 randomly selected households in Canada and reported that 77% of Canadians think that helping the poor is a priority, especially while in a recession; 92% say that if other countries like the U.K. and Sweden can reduce poverty, so can Canada; 86% believe that if government took concrete action, poverty in Canada could be greatly reduced; 90% say it is time for strong leadership to reduce the number of poor people in Canada.

While there are several local services that provide emergency response, intervention/capacity building and preventative opportunities these measures of ‘help’ are considered charitable and provide a means for individuals to navigate the system temporarily. They also fit into the income inequality definition of poverty. If effective change is to happen a poverty reduction plan that enables citizens the opportunities to participate on their own accord is required to take place that includes access to universally offered programs and services. Government policies that support factors that reduce poverty would shorten the social exclusion gap and offer other means and more opportunities for families to ‘help’ themselves.

Policies – local, provincial, national, international

Provincially, several communities, two of which are Victoria and Esquimalt, have instituted the living wage. Many organizations have also instituted the living wage as policy to protect families and individuals from poverty and create equality.

British Columbia will see an increase in the minimum wage to \$10.25 p/h as of May 2012. Shortly after this announcement, First Call and the Canadian Centre for Policy Alternatives applauded the Premier for taking action to reduce the burden many families face with low incomes by also eliminating the \$6 training wage and committing to increase the Working Income tax Benefit. First Call further proposed the current Premier to create a Poverty Reduction Plan with legislated targets and timelines, and annual public reporting on progress. Also included in this statement were listed many of the factors outlined above in 'Factors in the Reduction of Poverty'. The current stance the BC government endorses is to cut taxes and increase jobs as part of their economic strategy.

The Nordic countries, Norway, Denmark and the Netherlands, do not endorse tax cuts as part of an economic strategy but rather put the emphasis on what makes sense for families to succeed. All three of these countries have generous social benefits which has aided in preventing poverty, decreasing unemployment and creating commonality among social classes. Class is tied less to income and healthcare and more to location, profession and work engaged in - more to do with 'things' that people have control over. These countries feel that welfare and citizenship – social rights – are imperative to a free society and distinctively different to North American thinking patterns. In Denmark, the highest ranked country out of all the OECD countries for inequality in child well-being (UNICEF: Innocenti Report Card 9) families are supported monetarily, dependant on size and age of children, education is free, and all citizens are entitled to paternity and sick leave, unemployment benefits and healthcare. All families are entitled to free family support for the home and children if ill or confined. Benefits are not tied to the kind of job a person has or if someone is working or not and justifies a commitment by government and policy to equality.

Canada is currently ranked 10th out of the 24 richest countries for inequality in child well-being (17th for material well-being) and has been criticized internationally for not having a poverty reduction plan in place that echoes the Children's Charter of Rights ratified through the United Nations. Canada's inequality between the rich and the poor has grown more than any other country, other than Germany, in the OECD. In the most recent national budget very little was proposed to reduce or eradicate poverty, with no mention of an official poverty reduction plan, even though a recent parliamentary report on poverty outlined a plan for Canada which all parties supported in principle. Canada is slowly lagging behind the OECD countries in terms of poverty. The UK and Sweden have implemented plans that are currently not reaching their targets due to factors such as the global economy shifts and immigration, but some measure of reduction in poverty has been achieved. Sweden is turning to free trade to bolster its economy which will support objectives such as poverty reduction, human rights, peace and stability.

UNICEF has called for a Children's Commissioner to improve children's equality based on the last report card. Poverty rates in Canada and British Columbia show that children under six years of age have the highest rates of poverty which eventually creates a burden on taxpayers in higher social expenditures and the loss to economic competitiveness due to the vast amounts of children failing to realize their potential. At the Taking Action on Poverty Conference in Nova Scotia, Senator Art Eggleton stated that "a recent study estimates that poverty costs this country about \$7.5 billion every year in health care costs alone and between \$8 and \$13 billion in lost productivity". The Honourable Ed Broadbent stated

at the same conference that “research has shown that more equal nations like Sweden, Norway, and Denmark, are better off in most every way. Their citizens are healthier, live longer, have fewer teenage pregnancies, are more law abiding, participate more in civic projects and are more trusting of their neighbours”. The report explains that most Canadian children in low-income families have at least one parent who is employed and working fulltime. UNICEF recommends six steps to implement: 1) Establish a Children’s Commissioner to ensure the best interests of the child are considered in policy decisions that affect them and that services and policies are coordinated across government so all Canadian children have equitable access to and benefit by them; 2) Report on the state of children regularly and publicly using a range of indicators related to the condition for good child development; 3) Provide Canadians a clear account of public expenditures on children, federally and provincially, with a ‘children’s budget’ to monitor the degree to which children have a fair share of the nation’s resources invested in their development; 4) Apply a Child Impact Assessment to policy decisions to ensure they prioritize children’s best interests – including negotiations for federal-provincial social and health transfers; 5) Set a national strategy to eliminate child poverty; 6) Close the gap between Aboriginal and non-Aboriginal children in Canada with a change in policy to fund appropriate services including health, education and protection at a level equal to those for other Canadian children.

Like the Nation, British Columbia is at a similar stage with a poverty reduction plan. Recently, the Official Opposition tabled a private members Bill proposing a BC Poverty Reduction Act. Included in the strategy are specific targets and timelines to reduce the breadth and depth of poverty within one year. The proposed Act also outlines how the strategy should be developed and include consultation with First Nations; the Government of Canada; local governments; non-profit organizations, charities; the business community; the trade union community; the academic community; and residents of BC living in poverty. First Call has requested to meet with both the government and Official Opposition to discuss the possibilities of forwarding this plan.

End Notes

This brief is a snapshot of poverty as it has unfolded over the last six months and includes some dated and current statistics regarding poverty measures. Most of the information is very current and unfolded as time progressed through the gathering of the articles and reports for this document. This has made it difficult at times to gather an accurate snapshot of the realities of poverty at the local, provincial, national and international levels. It is suggested that it continue to be updated in order to provide relevancy to the poverty profile.