



Time For Action

Working Together To End Poverty In Alberta

November 2010

Acknowledgements

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Campaign 2000
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CANADA WITHOUT POVERTY
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Canada Without Poverty – Dignity for All Campaign
www.dignityforall.ca

Measuring Poverty: Canada has no official poverty line, but uses several measures of low income to determine poverty rates. This report uses two of these measures. The first is the Low Income Cut-off (After-Tax). The second is the newer Market Basket Measure developed jointly by the federal and provincial governments. Both measures are calculated after deducting taxes and adding transfers to family income.¹

It's Time For Action To End Poverty

Poverty remains a reality for far too many Alberta children. It won't be known until next year what effect the recent recession had on poverty rates since the most currently available data is from 2008. But Alberta did see its unemployment rate more than double and a dramatic increase in income support caseloads. As a result, demands on human services community organizations are growing, while available resources from both government and the community are shrinking.

There is recognition around the world that we need to address poverty more effectively. Innovative activity is underway in many countries, and evidence is growing of the value of comprehensive approaches to poverty reduction. In Canada, six provincial governments have now adopted strategies to reduce poverty and work is commencing in a seventh.

At the federal level, the Senate produced an excellent roadmap for poverty reduction in a December 2009 report called *In From the Margins*.²

The House of Commons also renewed its commitment to poverty elimination by passing the following motion:

That, with November 24th, 2009 marking the 20th anniversary of the 1989 unanimous resolution of this House to eliminate poverty among Canadian children by the year 2000, and not having achieved that goal, be it resolved that the Government of Canada, taking into consideration the Committee's work in this regard, and respecting provincial and territorial jurisdiction, develop an immediate plan to eliminate poverty in Canada for all.³

The above motion coincided with the 20th anniversary of the House of Commons resolution to end child poverty in Canada by the year 2000. The motion was unanimously adopted by all political parties in the House of Commons on November 24, 2009.

Most recently, a possible blueprint for a federal poverty reduction strategy resulting from the work of a parliamentary committee was tabled in the House of Commons on November 18, 2010.⁴ A key recommendation involved setting up a federal poverty reduction transfer that would support provincial poverty reduction strategies.

Two years ago the Edmonton Social Planning Council — with the support of Public Interest Alberta and several community organizations — published the report *We Can Do Better*.

The findings of this November 2008 report formed the basis for discussion at seven public forums held in Red Deer, Wood Buffalo, Grande Prairie, Medicine Hat and Lethbridge in the spring of 2009, and in Calgary and Edmonton in the fall of 2009. These forums attracted over 400 service providers, funders, health and education professionals, municipalities, and other community members. The results of these forums were published in a November 2009 report entitled: *We Must Do Better*.

Work on developing an Alberta poverty strategy has continued throughout 2010. Public Interest Alberta formed a task force to coordinate activities province-wide.

Using the Ten Year Plan to End Homelessness as a model, Alberta should develop its own comprehensive initiative to reduce, eliminate, and prevent poverty.

There is a clear need for a comprehensive strategy, and the will exists in our province to make it happen. A positive indicator of this is a recent recommendation of an all-party committee of the Alberta Legislature. Introduced by Independent MLA Dave Taylor, and unanimously supported by the other four parties including government members, the Standing Committee on the Economy passed the following recommendation:

In the interests of developing longer-term solutions than can be achieved through minimum wage policy alone, the Government of Alberta should recognize the need for a designed-in-Alberta poverty reduction strategy, study best practices in other jurisdictions and engage in broad-based public consultations in order to create this strategy.⁵

It is past time to implement a comprehensive strategy to build a poverty-free Alberta. It is a moral imperative that makes good economic sense.

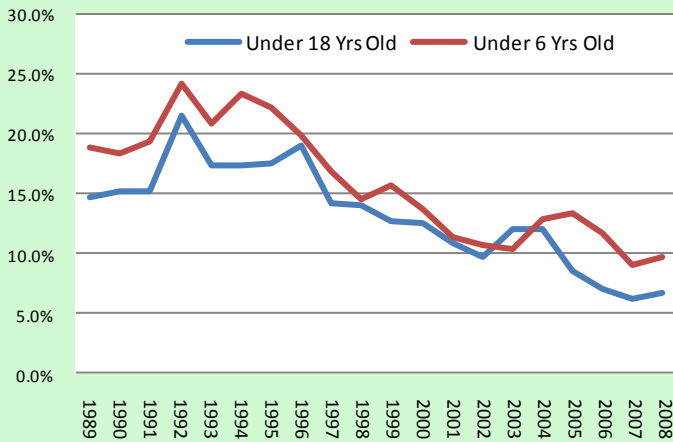
Poverty Continues For Far Too Many Children

Since the Canadian Parliament’s commitment to ending child poverty in 1989, rates and numbers of children living in poverty increased until the late 1990s. In the past decade, some progress has been made in reducing child poverty due to a strengthened economy and investments such as enhanced child tax benefits.

The most recently available data on child poverty in Alberta (Chart 1) is from 2008 and does not reflect the full impact of the recent recession. In 2008, 53,000 children under the age of 18 years in Alberta (6.8%) lived in poverty using the Low Income Cut-off (After-Tax) definition of low income. Half of the children under 18 years living below the poverty line were in lone parent families.

Poverty rates are even higher for younger children. 9.7% (one in ten) children aged under 6 years lived in low income families. There are 22,400 younger children living in poverty in Alberta (Table 4).

Chart 1: Alberta Low Income Rate, Low Income Cut-Off After-Tax (LICO AT), Children Under 18 Years Old and Children Under 6 Years Old

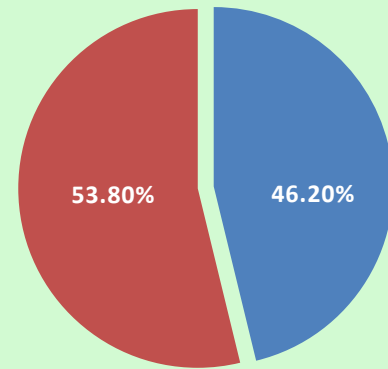


Source: Statistics Canada ^{6,7}

Most low income parents work

For many low-income families, employment is not a direct ticket out of poverty. 53.8% of children who are in poverty live in a household where one or more persons are working full-time for the full-year (Chart 2). This suggests that full-time work, even when combined with income transfers from governments, is still inadequate to lift children out of dire circumstances.

Chart 2: Children Living in Low Income, by Work Activity of Family, Alberta (2008)



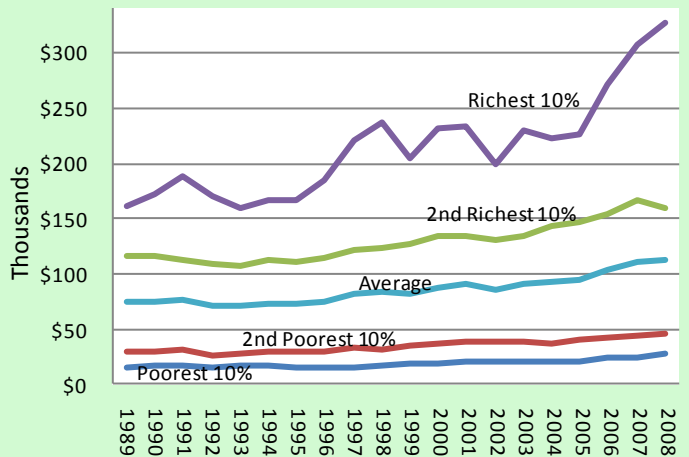
■ Hours worked in a year does NOT equal One Full-Time and Full-Year Employed Position 46.20%
 ■ Hours worked in a year equals One Full-Time and Full-Year Employed Position 53.80%

Source: Statistics Canada ⁸

Greater disparity in income

Disparities between families are growing. Between 1989 and 2008, after accounting for inflation, the yearly income of the poorest 10% of Alberta families with children increased by only \$12,129 (Chart 3). The yearly income of the richest 10% of families with children went up \$161,855. Average yearly family incomes went up \$38,515. Rising inequality threatens Alberta’s social cohesion.

Chart 3: Annual Total Average Income of Families with Children, by Income Group, Alberta (Constant 2008\$)



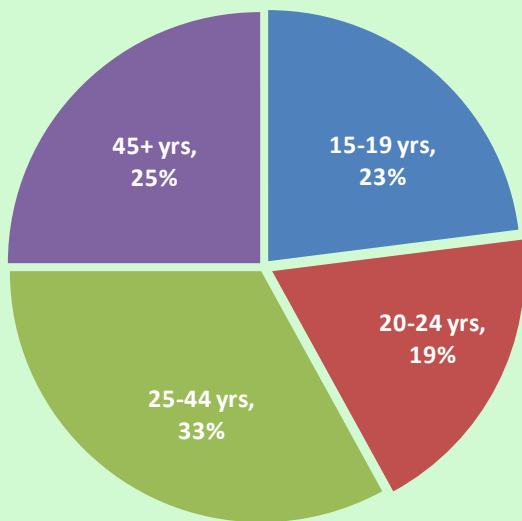
Source: Statistics Canada ⁹

One in four Albertans works for low wages

Over one in four employed Albertans (and over one in three employed women) work for low wages. The proportion of Albertans who are 25 years and older working for low wages rose to 58% of all low wage workers during the period April 2009 to March 2010 compared to 51% the year before.¹⁰

There is also a gender disparity when it comes to low wage work. Over two-thirds of low wage workers 25 years and older (67%) are women. Many more women than men work in low wage occupations such as retail trade or the voluntary sector.¹¹

Chart 4: Albertans Earning \$15 per hour or less, by Age Group (April 2009 to March 2010)



Source: Statistics Canada¹²

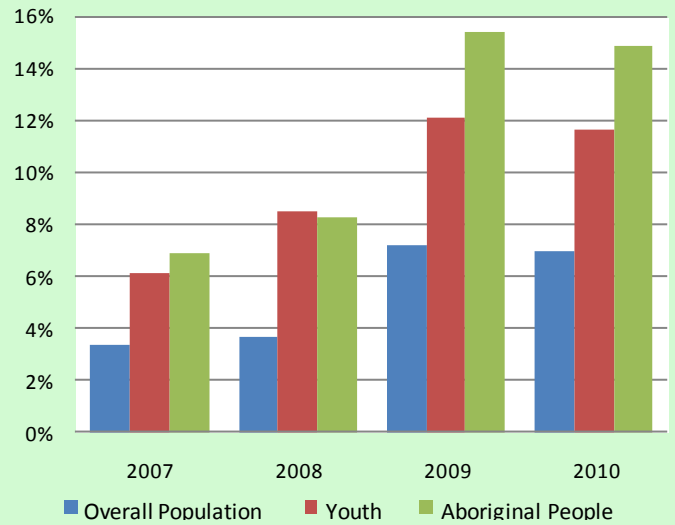
Getting through the recession

By October 2010, employment levels in Alberta increased by 2.3% over a 12 month period, slightly above the national growth rate of 2.2%. While the quantity of jobs has increased slightly, the quality and security of jobs has not improved. Most of the increase in work has been in part-time jobs. Compared to a year ago, there has been a 1.6% growth in full-time employment and a 5.6% increase in part-time employment.¹³

Although employment numbers have steadily gained over the past 12 months, the unemployment rate remains 6%, well above its pre-recession level of less than 4%.

The unemployment rate for Aboriginal people living off-reserve had a slight change between 2009 (15.4%) and

Chart 5: Unemployment Rates of Alberta Population, Youth, and Aboriginal People

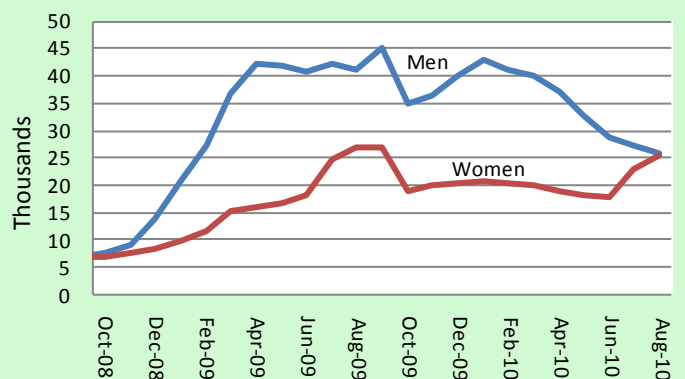


Source: Statistics Canada¹⁴; Alberta E & I¹⁵

2010 (14.9%) (Chart 5). Similarly, the youth unemployment rates saw an incremental change between 2009 (12.1%) and 2010 (11.7%). These rates are still markedly higher than overall unemployment, and are well above pre-recession levels.

After tripling early in the recession, the number of unemployed Albertans receiving employment insurance has decreased by 23.2% from August 2009 to August 2010. When the recession began, men were disproportionately affected by job loss. In recent months, the gender gap has narrowed. While the number of men receiving EI has dropped, the number of women receiving EI has increased (Chart 6). This trend is concerning because women, particularly in lone parent families, have primary responsibility for providing for children.

Chart 6: Albertans receiving EI, by Gender

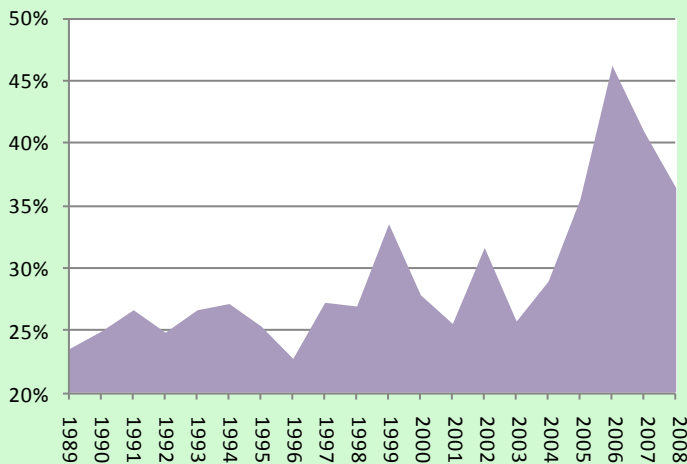


Source: Statistics Canada¹⁶

Government transfers make a positive difference

Government income transfers - such as child tax benefits, social assistance, employment insurance - play a significant role in lifting low income people above the poverty line. In Alberta, the effectiveness of government income transfers in lifting children above the poverty line has increased over the years. In 1989, only about 25% of children were lifted above the poverty line. By 2006, this had peaked to over 45%. There remains considerable year-to-year variation in the effectiveness of income transfers due to political and budgetary considerations. In 2008, the percentage had slipped down to 36% of children being lifted out of poverty due to government income transfers (Chart 6). We know that properly designed income transfer programs can be used to significantly reduce poverty.

Chart 6: Percentage of Children Lifted out of Poverty by Government Transfers, Alberta

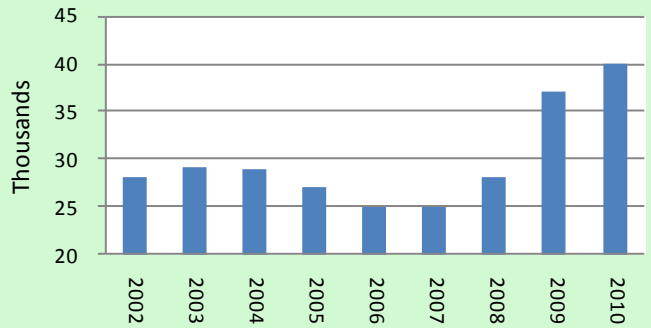


Source: Statistics Canada ¹⁷

Social assistance caseloads slow to recover

Until the recession hit late in 2008, the number of people receiving Income Support (IS) was at a historic low level. The October 2010 caseload is up 45% from two years earlier (Chart 7). One in three income recipients are single parents with children. As of October 2010, 61% of the IS caseload are Albertans who are expected to work, a higher percentage than before the recession.

Chart 7: Number of People Receiving Income Support (Alberta Works), Alberta



Source: Alberta OSI ¹⁸

Increased food bank usage

Food bank usage is a good indicator of financial hardship on individuals and families, as well as the rising cost of food. Despite indications that the economy is in a recovery mode, food bank use is still rising. Between 2008 and 2010, the number of Albertans using a food bank rose dramatically from 33,580 to 59,311 (Chart 8). Children and youth make up 43% of those turning to food banks for help in 2010.¹⁹ Over half (51%) of the people assisted by food banks identify themselves as First Nations, Métis, or Inuit.

Chart 8: Number of People in Alberta Using a Food Bank



Source: Food Banks Canada ²⁰

It's Time to End Poverty

Failure to undertake effective action to end poverty has serious consequences not only for those directly affected, but for all Albertans. Albertans want to learn from each other about good practices and develop new and effective collaborative activities. They energetically expressed the desire for Alberta to be a leader in ending poverty, a model to the rest of Canada. This would be even more important than more traditional measures as an expression of Alberta being the best place to live.

Build on what's already working

There is currently a wide range of activity directed at people hurt by poverty. Individual and corporate acts of charity, excellent programs delivered by human services organizations and educational institutions, and investments by all orders of government are making valuable contributions. But much of this work lacks the security of stable multi-year funding.

Governments already make a significant contribution to reducing poverty through income support programs, tax credits and public services like child care, education, and health care. In the absence of government supports many more people would be living in poverty, including almost twice as many children. For the most part, finding solutions involves building upon what's already working well.

Government commitment and leadership is essential

Alberta has many individuals and organizations with an extensive understanding of poverty. Determination to end poverty is strong. But the magnitude and complexity of the problem requires leadership from all orders of government. Stable adequate public funding and sound public policy are essential aspects of achieving a poverty-free future.

After a decade of modest improvement in reducing the number of Alberta children living in poverty, this progress has been stalled since the 2008 recession. As the economy and government revenues recover, further investment is needed in programs that have proven effective in reducing and preventing poverty.

Child benefits best way to reduce poverty

Child tax benefits are the most effective way to reduce child and family poverty. They do not discriminate based on source of income and are easy to administer. The only eligibility requirement is filing an income tax return. At no extra administrative cost, the provincial government could introduce an Alberta Child Benefit for low and modest income families to parallel federal child tax benefits.

In 2009, the Ontario government doubled the Ontario Child Benefit to \$1100 per child, with a scheduled increase to \$1310 by 2013.²¹ The Alberta government's relatively stronger financial position should allow it to introduce an Alberta Child Benefit at least equal to Ontario's. As federal government revenues recover, real increases to federal child tax benefits should be made as well. Campaign 2000 recommends that the maximum federal child tax benefit (including the supplement for low income families) should eventually increase to \$5400 per child for the lowest-income families.

Commit to ensuring income support keeps up with living costs

Before the recent recession, relatively few Albertans received social assistance (Alberta Works) benefits, with most recipients unable to work due to illness and other factors. Alberta Works caseloads spiked during the recession as unemployed Albertans exhausted their EI benefits before being able to find work.

Alberta Works monthly benefit levels have remained frozen for the past two years. As the economy recovers the provincial government should use the savings from gradually decreasing caseloads to improve monthly benefit levels. According to the National Council on Welfare, current Alberta Works monthly benefit levels are among the lowest of any Canadian province.²²

Now that government finances are in recovery mode, yearly increases at least matching cost of living increases should also be reinstated for disabled Albertans receiving Assured Income for the Severely Handicapped benefits.

Place-based initiatives

Place-based initiatives are developed in a particular location or group, and are better able to address local circumstances. Street newspapers, community festivals, safe communities activities, and peer-support programs for people with mental illnesses are examples of this. People living in economic poverty must be significantly involved in providing perspectives and having meaningful roles in the development and delivery of programs and services.

Accessing benefits

Incomes can also be improved by ensuring low income Albertans receive tax and health benefits for which they qualify. Better financial literacy enables people to use income more effectively.

It can be difficult to find information and routes through bureaucratic complexities, especially for people already coping with challenges. Many community agencies invest significant volunteer resources helping people get benefits to which they are legally entitled. Since many benefits are tied to the filing of an income tax return, many community agencies use volunteers to assist low income households in filing their annual tax returns.

Asset building

Hopeful initiatives in such areas as community economic development, social enterprise and micro-enterprise loan funds, and avenues for people to become homeowners through means such as land trusts and cooperative housing are making it possible for people to begin to gain assets.

To encourage low income people to save for the future, innovative approaches like individual development accounts are a possible solution. These types of accounts usually involve matching by funders of the savings of low income families or individuals.

Support to service providers

When service providers do not have stable long-term funding, it is difficult to develop and operate programs. Skilled personnel are lost when programs come and go. New people have to learn skills and valuable time is lost as they become competent. The current funding

processes require organizations to spend a great deal of time and expertise developing proposals, rather than putting resources into actual service delivery. Excessive reporting requirements on small details not related to the purpose of the work can also waste valuable resources.

Funding should be based on achieving a real, long-term, positive impact and equipping people to meet their own needs. For example, literacy programs are a key factor in supporting people to secure better-paying employment.

A significant concern in the not-for-profit sector is that inadequate funding often means staff are paid poorly. This can make it hard to recruit and retain excellent staff. Surveys of the salary and benefits available in the not-for-profit sector consistently show a large gap with the public and for-profit sectors for similar work.

“It’s time for a community-wide response to poverty, one that ensures that our resources are focused on interventions that work, and that streamlines processes for people living in poverty and agencies that support them.”²³

- Calgary Mayor Naheed Nenshi

Innovations in service delivery

To be effective, service providers require physical as well as human capital. Many service providers face challenges funding buildings, and equipment operations and maintenance.

Innovative examples of shared facilities demonstrate a commitment to cooperate and enable everyone to do better. Funders such as United Way foundations and community foundations provide support for greater collaboration, not just with direct services and facilities, but with ensuring that complete and accurate information is easily available in communities. New approaches to shared services are being tried around Alberta to meet financial and human resources needs with excellence and efficiency. Creative examples of recreation space being made available by municipal governments and educational institutions are increasing.

Deliver on plan to end homelessness

The negative consequences linked to the sudden end of federal and provincial investment in affordable housing twenty years ago led to dramatic increases in the numbers of homeless individuals and families throughout Alberta. Combined with rapidly rising rents, this meant that by 2008 the number of homeless Calgarians increased to over 4,000 and the number of homeless Edmontonians to over 3,000.

Following the lead of Red Deer, Calgary and Edmonton, the Alberta government in April 2009 adopted a ten year plan to end chronic homelessness in the province's seven largest urban centres. 18 months into the ten year plan, early progress is being made. An October 2010 count in the City of Edmonton found a 21% reduction in the number of Edmontonians experiencing homelessness from 3,079 in October 2008 to 2,421 in October 2010.²⁴

The Alberta Secretariat for Action on Homelessness estimated a 10-year investment of \$3.3 billion (\$330 million/year) is needed to end homelessness in the next decade. The last two provincial budgets delivered only one-third of the required investment, in some cases diverting those dollars from existing housing programs. The commitment to end homelessness must be backed up with sufficient provincial investment.

There is also a need to ensure that new affordable housing actually gets built. Several funded projects in Edmonton have been cancelled or delayed by neighbourhood opposition. In recent years, a significant amount of affordable housing has been built in relatively few neighbourhoods close to Downtown. All neighbourhoods need to step up to the plate. Innovative solutions such as using surplus school sites in newer neighbourhoods would ensure a better distribution of non-market housing.



Affordable rents and homeownership

Affordable shelter is by far the biggest cost for low and modest income Albertans. Keeping people housed through affordable rents or homeownership is an important homelessness prevention strategy. It is therefore disappointing that rental assistance for low income Alberta households has been cut 50% in the past two provincial budgets.

To address this funding shortfall, non-profit housing management agencies have implemented systems to determine which types of households are in the greatest need for housing. Families with children receive priority, though there continues to be a shortage of larger units for larger families. For everyone else, the wait for rental assistance can take two years or more.



A Snapshot of Current Activity: Ten Year Plans to End Homelessness²⁵

- Plans being implemented in Edmonton, Calgary, Red Deer, Grande Prairie, Fort McMurray, Lethbridge and Medicine Hat.
- During the first year 1,300 formerly homeless people were permanently housed in 933 supported homes. So far, 85% of those housed have been able to successfully retain their housing.
- Province-wide, 427 fewer Albertans were using emergency shelter beds or mats on a daily basis in December 2009 compared to a year earlier.
- Community agencies are contracted to provide support services to keep people housed. Many of the Housing First providers are already oversubscribed and operating beyond capacity.
- The difficulty in getting new affordable housing projects built due to community opposition is a growing concern.

Albertans deserve to earn a fair income for work

Secure jobs with decent pay and benefits are a key poverty elimination tool. Policies need to be developed that improve wages, benefits, and other conditions for low income workers without extended health and dental benefits, employment pensions, and job security.

Over one-half of Albertans living in poverty work full-time for the full year. This shows a clear need for strategies to make sure that these hardworking Albertans do not have to live in poverty.

Raise and Index Minimum Wage

In June 2007, Premier Ed Stelmach announced a new minimum wage policy which indexed the province's minimum wage to the average earnings of all Alberta employees. This led to transparent and manageable annual increases in the minimum wage being paid to Alberta's most vulnerable workers. Prior to Stelmach's announcement, Alberta had the lowest minimum wage of any province in the country. By April 1, 2009, the date of the last increase, Alberta's \$8.80 per hour minimum wage was about the middle of the pack.

Instead of sticking with a formula that took the politics out of minimum wage setting, in February 2010, the province announced a minimum wage freeze. This despite the fact the average weekly earnings formula would have triggered at most a 25 cent per hour increase on April 1, 2010.

As a result of the freeze and most other provinces aggressively raising their minimum wage, Alberta is once again sliding toward the bottom when it comes to its minimum wage. Out of the 13 provinces and territories, Alberta today has the second lowest minimum wage, with only British Columbia having a lower minimum wage.

The minimum wage was reviewed by an all-party committee of the Legislature. In an October 2010 report to the Minister, the Standing Committee on the Economy recommended that the minimum wage be increased to \$9.05 per hour, and that indexing be restored.²⁶ The Alberta government has yet to respond to the committee's recommendation.

Living Wage for Contracted Services

Vibrant Communities Calgary has determined that in 2008 a living wage of \$13.50 per hour without benefits and \$12.25 per hour with benefits would be required to ensure that people working full-time for the full year could live above the poverty line.²⁷

Living wage policies—especially for services contracted by all three orders of government—would ensure a vibrant human service sector.

“This province should follow the lead of most Canadian provinces and introduce an Alberta Child Benefit for low and modest income families. Enhanced child tax benefits are the single most effective investment in reducing child and family poverty.”

- John Kolkman

Make Work Pay through Tax Credits

Earned income tax credits reward the work effort of those employed in low-paid jobs.

The federal government first introduced a refundable working income tax benefit (WITB) in its 2007 budget. In its 2009 budget—as part of its economic stimulus program—the WITB was enhanced.

The enhanced WITB is available on earnings above \$3,000. For single individuals the maximum benefit is \$925, and benefits are phased out at a net income of \$16,667. For single parents and couples the maximum benefit is \$1,680, and benefits are phased out at a net income of \$25,700. The WITB also includes a supplement for low-income working Canadians with disabilities, as these individuals generally face even greater barriers to workforce participation.²⁸

Alberta has a different earned income tax credit called the Alberta Family Employment Tax Credit. Currently, the Alberta credit is only available to working families with children. The Alberta family employment tax credit should be expanded to include single adults and childless couples, paralleling the federal working income tax benefit.

As revenues recover, both federal and provincial governments should invest more in these credits.

Early learning and child care

Children do not fail academically in many cases because of intelligence, but because they missed important developmental opportunities. Early childhood development is an effective tool for making an investment early in a child's life and seeing the results make a positive difference for decades to come.

When children and youth are living in poverty, there is long-term cost. Early child development services such as Head Start are especially important to equip all children for school success. In most communities the availability of affordable good-quality day care and after-school care is a concern. Alberta does provide subsidies for childcare. But many low income families cannot afford the parent fee above the subsidy. They are therefore unable to access licensed child care or day homes.

It can be difficult for immigrant families with preschool children to be involved in official language learning programs when they have no connections in the community. Yet without language proficiency, the potential for jobs that pay well is remote and a family can be trapped in poverty. Those who need occasional child care and do not have safe places to leave children run into trouble without drop-in care being available.



Recreation, arts and culture

Access to recreation, arts and cultural opportunities is important for all ages and may be less available to people who do not have money. This may be because of inadequate subsidies for programs, or parents busy with work or without transportation. Municipalities like Edmonton that provide low-cost or free use of facilities see a large take up. Some organizations, such as the YMCA, generously provide access to their facilities. There are also popular initiatives to provide opportunities in the arts to children and adults. Opportunities to go to camps, especially those that provide a chance to get away from urban settings, are oversubscribed and much appreciated.

Seniors

There is concern about the rapidly growing population of seniors and the anticipated high levels of need. Because of pension regulations in particular, a disproportionate percentage of those experiencing poverty will be women. Being able to live independently for as long as possible is both a more socially healthy approach and fiscally sensible. Many communities are already experiencing a lack of services for seniors. The current government policy of privatizing and shifting costs for essentials like prescription drugs and long-term care will further increase problems for seniors on fixed incomes.

Literacy

Literacy (including numeracy and computer literacy) needs more attention at all age levels. Too many adults do not have strong enough literacy skills to secure and hold good employment in a high-tech world. Post-secondary institutions and community organizations offer options to improve literacy. Some are designed to meet the needs of those with work or family commitments and unable to study full time or during normal business hours. Some employers also provide support as well. Public libraries are actively developing creative programs and welcoming facilities for all ages and income groups.

Education

Youth who do not complete high school or post-secondary education and training are at increased risk of experiencing poverty. While high school and post-secondary completion are steadily improving, Alberta does lag behind most other provinces when it comes to students dropping out. Families may depend on the additional income of youth taking jobs, rather than continuing education.

Alberta has one of the lowest rates in the country of students going on to post-secondary education. When having to depend on loans, post-secondary education can become impossible for a low income person to access. Alberta needs to expand bursaries and grants to improve accessibility to post-secondary for those with low or modest incomes. Doing so represents a wise investment in the province's future since post-secondary graduates earn higher incomes and significantly lower unemployment.

What's Happening Now: Provincial Strategies

Introduction

Six provinces and three territories have thus far stepped up and answered the call for an action plan to address poverty. What each of these provinces and territories has done and continues to do is to create a critical mass of organizations and people concerned about issues of poverty. All are working to create partnerships with local community and government to seek solutions that generate anti-poverty strategies and plans.

Common among these strategies is the requirement of investment as a way to address poverty. There is a shared understanding that failing to tackle poverty now will cost even more down the road through higher health costs, greater draws on addiction services and mental health treatment, decreased educational opportunities, and untold lost productivity. Each province decided to preempt those costs by committing to a comprehensive anti-poverty strategy now rather than delaying the inevitable suffering that is sure to be a part of future political, economic and most importantly social policy costs.

Manitoba

Under *ALL Aboard*, Manitoba's Poverty Reduction and Social Inclusion Strategy, Manitoba now invests \$950 million a year to combat poverty.²⁹

This year, more than 30 new initiatives are being introduced building on work done last year including:

- launching *HOMEWorks!* low-income housing strategy, which includes a homeless and mental-health housing component;
- enhancing the Rewarding Work strategy, including Rebound, to help those affected by the recession and get more Manitobans off welfare;
- boosting the minimum wage to \$9.50 per hour;
- launching the Opening Doors Disability strategy;
- expanding child care under the Family Choices 5-year strategy;
- and launching Service Link to make existing low income services more understandable and accessible.

The latest data from Statistics Canada shows Manitoba with the lowest poverty rate for single parents across Canada. Between 2000 and 2008, the low-income rates for single parents dropped by 67%.³⁰

Prince Edward Island

Canada's smallest province is the latest to commit to a poverty reduction strategy. The Throne Speech on November 12, 2010 proclaimed, "in the New Year, my government will release a Poverty Reduction discussion paper that will begin the process, in consultation with Islanders, of examining further options to improve the well-being of Islanders who are vulnerable are in need."³¹

The PEI government also announced that effective April 1, 2011, it will end the claw-back of the National Child Benefit from families receiving social assistance.

New Brunswick

In November 2009, the Government of New Brunswick released its poverty reduction strategy, *Overcoming Poverty Together - The New Brunswick Economic and Social Inclusion Plan*. New Brunswick's strategy involved broad-based public consultation prior to its adoption.

To implement the plan, the government established a new crown corporation, the Economic and Social Inclusion Corporation. Just as in the design phase, 22 members from business, government, nonprofits and people living in poverty are part of the decision-making. As part of *Hope is a Home* (a five-year strategy to reduce poverty by making housing more affordable), the provincial and federal governments are investing in the construction and renovation of 825 affordable housing units for low-income seniors, families and persons with disabilities in 20 communities in south eastern New Brunswick, along with investing in the renovation and repair of 41 affordable housing units throughout the province.^{32;33}

Breaking the Cycle - Cost of Poverty in Nova Scotia

A recent study calculated the economic cost of poverty in Nova Scotia to be within the range of \$1.5 to \$2.2 billion per year (representing 5 to 7% of that province's GDP in 2008). About two-thirds of the above cost was in the form of lost economic productivity due to the lower earnings and incomes of those experiencing poverty. About one-third of the above cost resulted in higher costs for health care, crime and other social costs which led to higher spending by the Nova Scotia government.³³

Ontario

The Ontario Child Benefit is the cornerstone of its Poverty Reduction Strategy. The strategy targets a reduced number of children living in poverty by 25 per cent over 5 years.³⁵

Ontario Child Benefit levels for low income families were almost doubled to a maximum of \$1,100 per child in 2009, up from a maximum of \$600 the previous year. Despite challenging budget deficits, the Ontario government has committed to a further increase of up to \$1,310 per child by no later than 2013.³⁶

In conjunction with the Early Learning Phase I program for 4-5 year olds, Ontario's kindergarten program provides the added benefit of full day seamless care. The province has committed \$45 million a year to improve access to dental services for eligible children and has launched Healthy Smiles Ontario, a free program for children ages 17 and under who are living in a family that makes below the poverty line (\$20,000 per year). The no-cost dental program targets an estimated 130,000 eligible low-income children who will have access to regular check-ups, cleanings, fillings, x-rays and scaling.³⁷

For seniors, Ontario is increasing funding for its *Aging at Home* program by \$143.4 million (to \$330.6 million) in 2010. Eligible low-and middle-income senior homeowners and tenants will also receive the new Ontario Property Tax Credit, providing seniors with up to \$1,025 annually.³⁸

Québec

The Québec government enshrined an anti-poverty strategy in its 2004 *Act to Combat Poverty and Social Exclusion* legislation - unique among the Canadian provinces. In its 2004–2005 Budget, the Québec government

committed to invest \$2.5 billion over five years to increase the incomes of employment-assistance recipients and low-income earners. Out of four initiatives, the establishment of a Work Premium for low-income earners has been carried over into its second Action Plan for Solidarity and Social Inclusion 2010-2015, which will build on the success of the first Action Plan of 2004-2010.³⁹

There has also been a significant improvement in the disposable income of poor families. For example, a single-parent family with a three-year-old child, in which the parent works full-time at minimum wage, experienced a 23.3% increase in disposable income.⁴⁰

Newfoundland and Labrador

Canada's eastern most province officially launched its Poverty Reduction Strategy in 2006. At the time, the strategy involved a budget of more than \$30 million to support 20 initiatives. As of Budget 2010, Newfoundland and Labrador's Poverty Reduction Strategy involved a commitment of \$134 million to support over 80 ongoing initiatives to prevent, reduce, and alleviate poverty, which brings the total the province has spent on addressing poverty to \$482.7 million since 2006.⁴¹

Among the initiatives are modernizing housing units, continuing family violence intervention court and helping people qualify for a prescription drug program by increasing the income threshold. The provincial budget includes funding of \$507,500 to be spent on consultations with parents, educators and community partners on the proposed framework components to help develop an Early Childhood Learning Framework for the province.⁴²

Alberta College of Social Workers (ACSW) - Reducing Disparity⁴³

- In March 2010, the Alberta College of Social Workers published a discussion paper calling for a more just and equitable Alberta.
- The paper advocated for policies that reduce Alberta's growing disparity.
- Gaps between Aboriginal people, newcomers, and other disadvantaged groups must be closed. Inclusion and social cohesion must be strengthened.
- Alberta has the highest rates of family violence in the country and leads the country in domestic assault, homicide-suicide, and stalking.
- Recommendations include: strengthening public and community services, improving the quality of life for Albertans, and progressive revenue reform.

Nova Scotia

In April 2009, the government of Nova Scotia released its poverty reduction strategy – *Preventing Poverty and Promoting Prosperity*. The strategy builds a vision to 2020 which strives to break the cycle of poverty and create opportunities for all citizens of Nova Scotia by enabling and rewarding work, improving supports for those most in need, focusing on children and coordinating and collaborating change efforts.⁴⁴

The 2010 budget included a tax credit for low income earners and elimination of taxes for any senior in receipt of the Guaranteed Income Supplement (GIS). Those on social assistance will also receive about \$16.00 a month in a tax credit that will be paid quarterly. The government remains committed to developing more affordable housing, in part using federal stimulus funding. There is attention to poverty from the District Health Authorities and from Community Health Boards. At the community level, there is collaboration and partnership as seen through The Community Coalition to End Poverty along with a recently formed Provincial Mental Health Coalition.

Yukon

The Yukon has been working toward a government-wide Social Inclusion and Poverty Reduction Strategy since October 2009 that will ensure a common language and understanding of what social exclusion and inclusion means. The strategy is currently in development and slated to be completed by March 31, 2011.

Northwest Territories

On February 11, 2010 the Legislative Assembly of the Northwest Territories adopted a motion calling upon the Territorial government to create an Anti-Poverty Strategy. The motion was adopted after 18 leading social justice advocacy groups and three NWT municipal councils engaged in public appeals calling for an integrated, fully

resourced and cross-government approach to eliminating poverty in the NWT. Poverty reduction is important to the NWT because almost half of the population live outside major cities. In those smaller communities 50% of people are living in low income households. Half of the NWT population is Aboriginal with high poverty rates.

Nunavut

On October 18, 2010, the Government of Nunavut announced the launch of a massive, Nunavut-wide public engagement process which they hope will culminate in the creation of the territory's first anti-poverty strategy. The process will include government, Inuit organizations, business groups, municipalities, the non-profit sector and Nunavummiut. It will culminate in a series of roundtables to be held in Cambridge Bay, Iqaluit, Rankin Inlet and Pond Inlet from March to May 2011. In Fall 2011, the government will convene a two-day poverty summit in Iqaluit to develop a poverty reduction action plan.⁴⁵

Key Learnings

When provincial poverty reduction strategies are woven into legislation along with target goals and mandatory reporting periods to give accountability to the legislation, the strategies stand a better chance of becoming realized. To achieve success, all jurisdictions recognize the key role that co-ordination plays in delivering results.

The creation of The New Brunswick Economic and Social Inclusion Corporation, a crown corporation with the authority to implement New Brunswick's plan, offers an innovative model to ensure that the province is on track for achieving its poverty reduction targets. This approach ensures accountability by linking government with community inclusion networks as both are stakeholders invested in poverty reduction. The responsibility of leadership is essential as are agreements to accept firm targets and timelines like those of Newfoundland, Manitoba, Ontario and Nunavut.

Improving Retirement Security - Labour movement leads campaign to improve CPP ⁴⁶

- Alberta's labour unions are launching a campaign to strengthen the Canada Pension Plan (CPP) so that it replaces 50% of pre-retirement income rather than the current 25%.
- With Alberta's seniors population expected to almost triple in the next 30 years, and employer pensions being eroded, strengthening the CPP is the most cost-effective way to reduce poverty among seniors who previously worked in jobs with low or modest earnings.
- To assist those seniors without significant employment earning prior to retirement, a 15% increase in the federal Guaranteed Income Supplement is being proposed.

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Next Steps

Developing a Comprehensive Poverty Reduction Plan

What – The goal must be clear and bold

The development and implementation of a comprehensive plan to prevent, reduce and ultimately eliminate poverty in Alberta. Like in other provinces, a comprehensive plan must set clear poverty reduction targets and timelines, address the systemic and underlying causes of poverty, and implement policies and programs in 10 core measures. These measures are outlined by Sherri Torjman from the Caledon Institute of Social Policy in an October 2008 report called *Poverty Policy*.

Who – A real partnership approach will bring the best results

Successful poverty reduction plans in other jurisdictions have all included many partners working together. This process should lead to a strong partnership and plan that recognizes the roles of the municipalities, the provincial government and the federal government. There also needs to be strong involvement and commitment from the community human services sector, education and post-secondary education institutions, social workers and other health professionals, the business community, First Nations and Métis, immigrant communities, funding bodies, academic researchers, and those who live or have lived in poverty.

Where – Building a plan for all Alberta

We want to build strong communities throughout Alberta. While we often see the impact of poverty in the streets of major urban centres, poverty is a serious issue in rural communities, towns, and in First Nations' communities.

How and When – Making sure we have an effective, open and efficient process

It is important to recognize that there has already been significant work in building commitment for a comprehensive poverty reduction strategy. With the support of many United Way foundations, agencies, health and educational professionals, and municipalities, seven forums were hosted around Alberta last year.

The next steps will involve inviting a number of provincial government ministries, urban and rural municipalities, and the many different community stakeholders to sit down and start to explore in detail all of the many things that we are currently doing and the many other positive successful solutions we can implement to end poverty in Alberta. The Dialogue to End Poverty being hosted by the Inter-City Forum on Social Policy and the Family and Community Support Services Provincial Association on November 26th will hopefully act as catalyst that will lead to a real made-in-Alberta strategy. To be successful, this process needs to take the time to engage Albertans about a bold vision for our province where we have strong communities and essential services that support all people to develop their full potential free from poverty.



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