

# In This Together

## Ending Poverty in Alberta



November 2011

## Acknowledgements

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This report is published by Public Interest Alberta, the Alberta College of Social Workers, and the Edmonton Social Planning Council. Any editorializing or errors are strictly ours. Online versions of this report are available at [www.pialberta.org](http://www.pialberta.org), [acsw.ab.ca](http://acsw.ab.ca), and [www.edmontonsocialplanning.ca](http://www.edmontonsocialplanning.ca). To request a bound copy of the report please contact:



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### Which Measure of Poverty to Use?

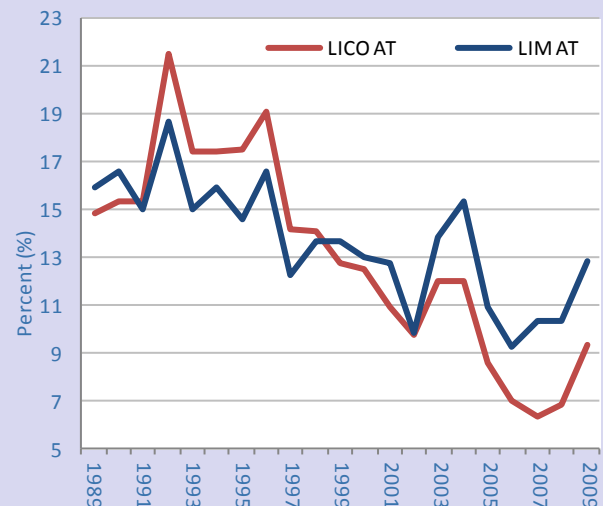
Canada does not have an official poverty line. Most of the data in this 2011 report is presented using the more widely known Low Income Cut-off (LICO) After-Tax Measure. Campaign 2000 is considering transitioning from LICO to the Low Income Measure (After-Tax) starting next year.

In part this is because, since 1992, LICO has only been updated for inflation and not other changes in the expenditure pattern of Canadian families. Statistics Canada has no plans to update LICO, whereas LIM is updated every year.

LIM has other advantages over LICO. It is a more easily understood measure. LIM is based on 50% of median family income. LICO is a much more complex calculation.<sup>1</sup> LIM is also an international measure used to compare poverty rates in different countries around the world. LICO is a measure only used in Canada.

As shown on Chart 1, in the 1990s LICO poverty rates were higher than LIM rates. In the 2000s LICO rates have been consistently lower. In 2009, the Alberta child poverty rate was 9.3% using LICO, compared to 12.8% using LIM.

**Chart 1: Child Poverty Rates, Alberta**



Source: Statistics Canada<sup>2</sup>

## Action Needed To End Poverty

The recent recession was challenging for all Alberta families but especially so for those with low and modest incomes. There was a dramatic spike in child and family poverty in 2009, the most recent year for which data is available.

Alberta also saw 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.

Evidence is growing world-wide of the value of comprehensive approaches to poverty reduction. In Canada, seven provincial governments are working on strategies to reduce poverty.

At the federal level, the Senate produced an excellent roadmap for poverty reduction in a December 2009 report called *In From the Margins*.<sup>3</sup>

The House of Commons renewed its commitment to poverty elimination by passing the following motion with all party support:

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.<sup>4</sup>

A possible blueprint for a federal poverty reduction strategy was tabled in the House of Commons on November 18, 2010.<sup>5</sup> A key recommendation involved setting up a federal poverty reduction transfer that would support provincial poverty reduction strategies.

Unfortunately, the federal Conservative government has not shown much interest in a national strategy since it was re-elected in May 2011.

The Edmonton Social Planning Council and Public Interest Alberta have co-published three reports, *We Can Do Better* (2008), *We Must Do Better* (2009), and *Time for Action* (2010).

Following the release of *Time for Action*, work on developing an Alberta poverty strategy accelerated. In November 2010, "A Dialogue on Poverty" was hosted by the Inter-City Forum on Social Policy (ICFSP) and the Family and Community Support Services Association of Alberta (FCSSAA). Over 100 concerned Albertans from across the province participated. Response from the forum unanimously supported the development of a poverty reduction plan.

Under the name Action to End Poverty in Alberta, a steering committee representing municipalities and organizations has been formed to champion and lead the development of this comprehensive strategy.

The Alberta government, under a new Premier, has reinforced its commitment to the 10 Year Plan to End Homelessness. The Homelessness Plan, with its measurable targets and timeframe, can be a model for a broader strategy to reduce, eliminate, and prevent poverty.

During her leadership campaign, Alberta's new Premier promised to implement a poverty reduction strategy. This builds upon a recommendation adopted last year by 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.<sup>6</sup>

Implementing a comprehensive strategy to build a poverty-free Alberta is a wise investment.

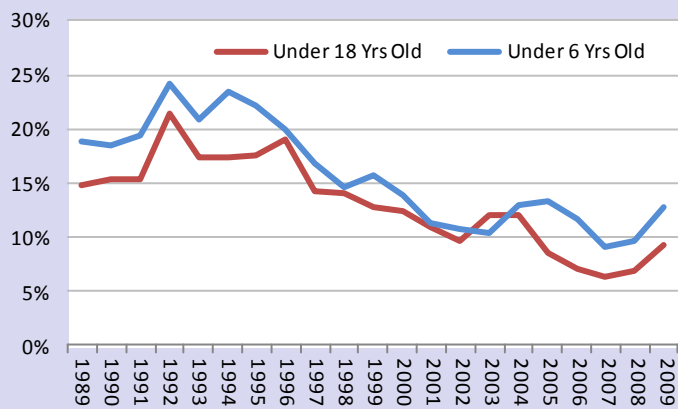
## Recession Causes Sharp Spike in Poverty

Prior to Alberta’s economic boom coming to an end, some progress had been made in reducing child poverty due to a strengthened economy and investments such as enhanced child tax benefits. However, much of this progress has since been reversed. There is growing evidence that the recent recession hit the most vulnerable Alberta families hardest.

The most recently available data on child poverty in Alberta (Chart 2) is from 2009 at the low point of the recent recession. In 2009, 73,000 children under the age of 18 years in Alberta (9.3%) lived in poverty. This is a 40% increase in child poverty numbers in just one year.

Poverty rates are even higher for younger children. 12.7% (one in eight) children aged under 6 years lived in low income families. There are 34,000 children under 6 living in poverty in Alberta.

**Chart 2: Alberta Low Income Rate, Low Income Cut-Off After-Tax (LICO AT), Children Under 18 Years Old and Children Under 6 Years Old**

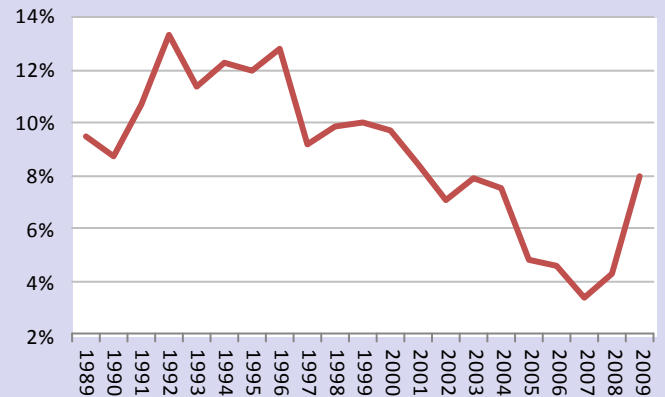


Source: Statistics Canada <sup>7,8</sup>

### Child poverty up in two-parent families

The recession caused a sharp increase in poverty rates for children living in two-parent families (Chart 3). In 2007, only 3.4% of these children lived in poverty. In 2009, this increased to 8.0%. The increase is likely due to low income families with both parents working experiencing job loss, reduction in hours and/or pay cuts. This loss of employment income may have been sufficient for them to fall below the poverty line. Despite this increase, the child poverty rate in female headed lone-parent families is still more than double that of two-parent families.

**Chart 3: Poverty Rate, Two-Parent Families, Alberta, (LICO After Tax) (Persons Under 18 Yrs)**

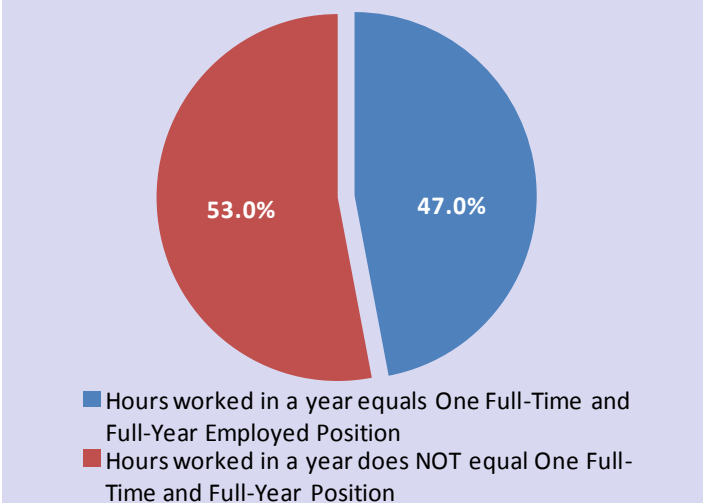


Source: Statistics Canada <sup>9</sup>

### Low income parents work, many full-time

For many low-income families, employment is not a direct ticket out of poverty. Full-time work, even when combined with income transfers from governments, is still inadequate to lift children out of dire circumstances. In 2009, 47% of children who are in poverty live in a household where one or more persons are working full-time for the full-year (Chart 4).

**Chart 4: Children Living in Low Income, by Work Activity of Family, Alberta (2008)**

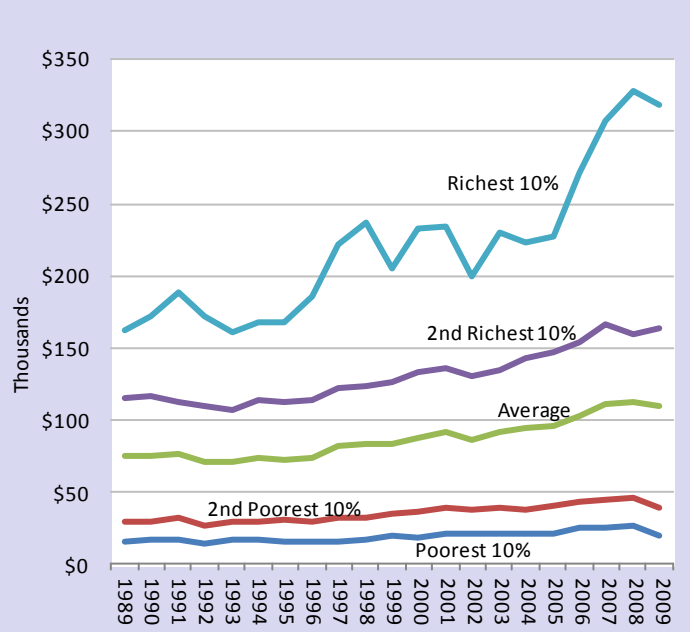


Source: Statistics Canada <sup>10</sup>

**Greater disparity in income**

Disparities between families are growing. Between 1989 and 2009, after accounting for inflation, the yearly income of the poorest 10% of Alberta families with children increased by only \$4,682 (Chart 5). The yearly income of the richest 10% of families with children went up \$156,403. Average yearly family incomes went up \$35,088.

**Chart 5: Annual Total Average Income of Families with Children, by Income Group, Alberta (Constant 2009\$)**



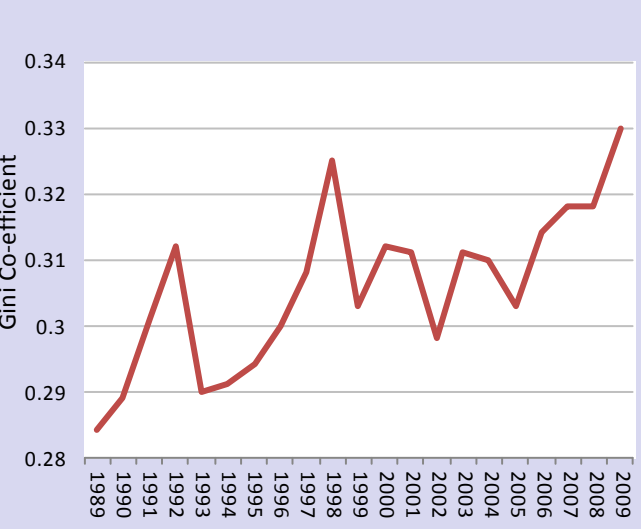
Source: Statistics Canada<sup>11</sup>

Alberta is becoming more unequal (Chart 6). Despite yearly fluctuations, there is a clear trend towards increasing inequality in family income. In the past 20 years, Alberta has gone from being a province with low inequality to one with medium inequality. High levels of inequality can slow down economic growth if the skills and abilities of all citizens are not being fully utilized.

**The Gini co-efficient explained**

A Gini index of 0 represents absolute equality - every family in Alberta has the exact same income.  
 A Gini index of 1 represents absolute inequality - one family has all the income in Alberta and all of the other families have none.  
 Globally, countries with a Gini below 0.300 have low inequality and those from 0.300 to 0.399 medium inequality.

**Chart 6: Income Inequality, Alberta, Non-Elderly Families**

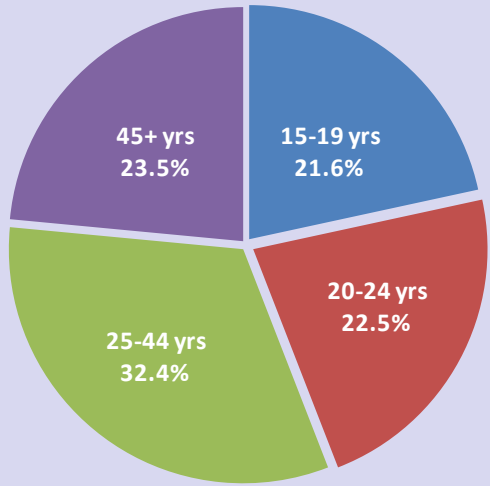


Source: Statistics Canada<sup>12</sup>

**Most low wage earners are women**

Over one in four employed Albertans (and over one in three employed women) work for low wages (Chart 7). The proportion of Albertans who are 25 years and older working for low wages rose to 56% of all low wage workers during the period April 2010 to March 2011 compared to 51% the year before.<sup>13</sup>

**Chart 7: Albertans Earning \$15 per hour or less, by Age Group (April 2010 to March 2011)**



Source: Statistics Canada<sup>12</sup>

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.<sup>14</sup>

Because many women are employed as servers, women will also be disproportionately impacted by the Alberta government’s decision to implement a lower two-tiered minimum wage.

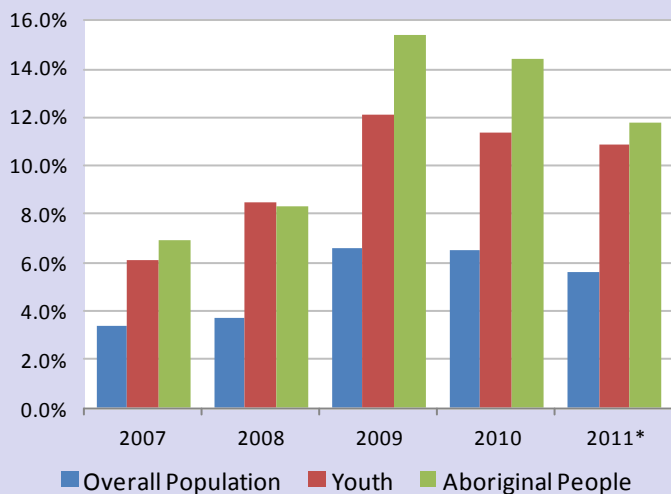
### Getting through the recession

From an employment perspective, the recession bottomed out in March 2010, when 91,000 fewer Albertans had jobs compared to October 2008. During the same timeframe the unemployment rate more than doubled from 3.5% to 7.4%. As is usual during recessions, the proportion of full-time jobs decreased compared to part-time jobs.<sup>15</sup>

While employment growth has been fairly strong in the past 12 months, employment levels only exceeded their pre-recession peak in June 2011. In recent months, the unemployment rate still remains 2 full percentage points above the pre-recession level.

During the recession in the mid-1990s, job losses impacted many middle income families including trades people, nurses and teachers. In this recession, the negative impact fell more heavily on vulnerable groups.

**Chart 8: Unemployment Rates of Alberta Population, Youth, and Aboriginal People**



\* First 10 months  
Source: Statistics Canada<sup>16</sup>; Alberta E & I<sup>17</sup>

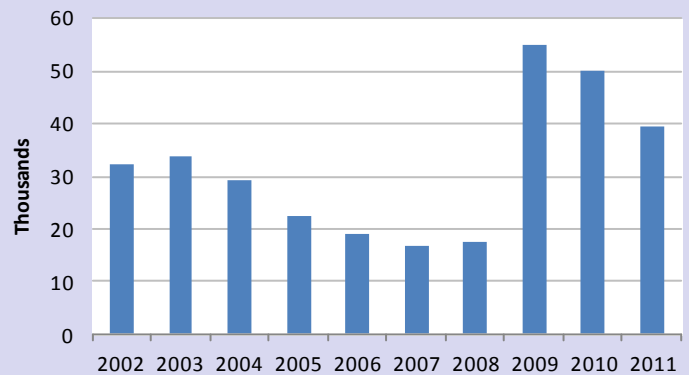
The unemployment rate for Aboriginal people living off-reserve rose dramatically during the recession. The rate fell slightly down between 2010 (14.9%) and 2011 (11.8%) but is still twice the overall rate (Chart 8).

Similarly, youth unemployment rates modestly fell between 2010 (11.7%) and 2011 (10.9%). These rates are still markedly higher than overall unemployment, and are well above pre-recession levels.

### Albertans exhaust EI benefits

Most low income Albertans experiencing job loss at the onset of the recession were able to access employment insurance (Chart 9). This led to a tripling of the number of Albertans receiving regular benefits in 2009 compared to 2008. In 2010, the number of beneficiaries declined as their eligibility expired. This trend toward fewer beneficiaries is continuing into 2011.

**Chart 9: EI Beneficiaries, Alberta**



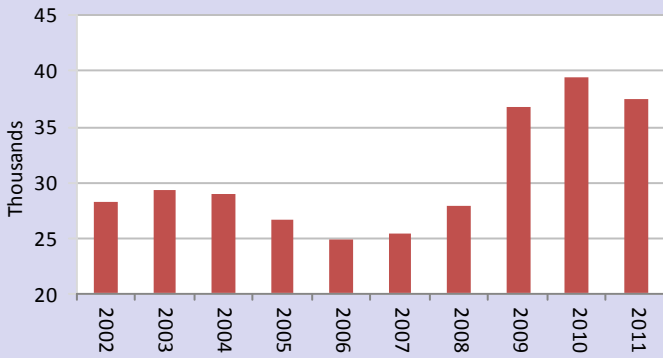
Source: Statistics Canada<sup>18</sup>

### Social assistance caseloads slowly decline

Until the recession hit late in 2008, the number of people receiving Income Support (IS) was at a historic low level. The 2011 caseload is up 45% from three years earlier (Chart 10). The IS caseload (each case represents on average two persons) peaked in 2010, a year later than the 2009 peak in EI beneficiaries. This likely shows that some Albertans whose EI benefits were exhausted had to go onto income support.

One in three income support recipients are single parents with children. As of October 2011, 54% of the IS caseload are Albertans who are expected to work, a higher percentage than before the recession.

**Chart 10: Income Support (Alberta Works) Caseloads, Alberta**



\*2011 data is for first 9 months

Source: Alberta OSI<sup>19</sup>

### Increased food bank usage

Food bank usage is a good indicator of financial hardship on individuals and families, as is the rising cost of food. Despite indications of economic recovery, food bank use in March 2011 is only slightly lower than the year before. Between 2008 and 2011, the number of Albertans using a food bank rose dramatically from 33,580 to 58,735 (Chart 11). Children and youth make up 44% of those turning to food banks for help in 2011.<sup>20</sup> Over 27% of the people assisted by food banks reported employment income.

**Chart 11: Number of People in Alberta Using a Food Bank**



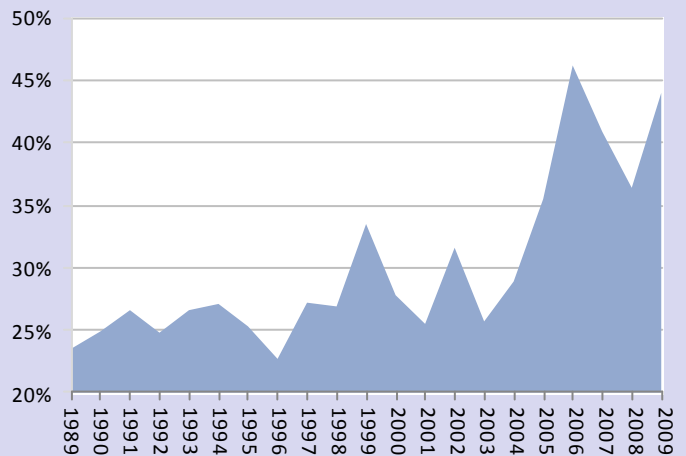
Source: Food Banks Canada<sup>21</sup>

### 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 families above the poverty line (Chart 12). 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 2009, this had increased to 44%.

There remains considerable year-to-year variation in the effectiveness of income transfers due to political and budgetary considerations. Unlike the recession of the mid-1990s when transfers were cut or eliminated, in the recent recession they were only frozen. Despite the sharp spike in child poverty numbers, the situation would have been much worse in the absence of these vital transfers.

**Chart 12: Percentage of Children Lifted out of Poverty by Government Transfers, Alberta**



Source: Statistics Canada<sup>22</sup>

### We Can End Poverty

Failure to undertake effective action to end poverty has serious consequences and costs not only for those directly affected, but for all Albertans. Albertans want to learn from each other about good practices and develop cost-effective solutions. Alberta should be a leader in ending poverty, a model to the rest of Canada.

#### 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.

Governments already make a 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 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, since the recession this progress has been reversed. As the economy and government revenues recover, further investment is needed in integrated approaches that have proven effective in reducing and preventing poverty.

#### Child benefits effective in reducing 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.<sup>23</sup> The Alberta government's 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.



Photo: Cynulliad Cymru

#### Ensure income support tied to 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 three 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.<sup>24</sup>

Premier Alison Redford must also follow through on her leadership promise to increase by \$400 per month Assured Income for the Severely Handicapped benefits for disabled Albertans.<sup>25</sup>



## 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.

Experiences and challenges of poverty differ depending on location. For example, low income families living in rural or small town Alberta do not have access to public transit. Costs for transportation are therefore higher because of the need to have a vehicle.

## 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, community initiatives like Edmonton E4C's Make Tax Time Program uses volunteers to assist low income households in filing their annual tax returns.<sup>26</sup>

## Asset building

Hopeful initiatives are making it possible for people to begin to gain assets. These initiatives include social enterprise and micro-enterprise loan funds, and avenues for people to become homeowners through land trusts, sweat equity and cooperative housing.

To encourage low income people to save for the future, innovative approaches like individual development accounts are being implemented. Momentum Calgary has a program called Fair Gains in which low income participants can have their savings matched 3:1. Participants saving \$50 per month can receive matching savings of \$150.<sup>27</sup> Counter-productive policies, such as the requirement to exhaust all savings before qualifying for social assistance, need to be modified.

## Support to service providers

When service providers do not have adequate long-term funding, it is difficult to develop and operate programs. Skilled personnel are lost when programs come and go. New staff 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 makes it hard to recruit and retain staff. Surveys of the salary and benefits available in the not-for-profit sector consistently show a large gap with the public sector for similar work.

## Cooperative service delivery

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

Innovative examples of shared facilities demonstrate a commitment to cooperate and enable everyone to do better. Funders such as United Ways and community foundations provide support for greater collaboration, not just with direct services and facilities, but with ensuring best practices are used in all communities. New approaches to shared services are being tried around Alberta to meet financial and human resources needs with excellence and efficiency. Many service providers share the use of recreation space with municipal governments and educational institutions.

### Promote gender equality

Women are more likely to be poor than men due to many unique social factors. Women are more likely to be caregivers for children, seniors and those that are ill. Women have higher representation in the low-wage earner category and only earn 66% of what men earn in Alberta.<sup>28</sup>

*“The feminization of poverty, as a lived reality, represents something larger than simply a lack of income or a state of financial need for women. While the very definition of poverty implies the inability to meet basic needs such as food, clothing, or shelter, being poor also implies the absence of choice, the denial of opportunity, the inability to achieve life goals, and ultimately the loss of hope.”<sup>29</sup>*

When women are experiencing poverty, so too are their children and other dependents.

### Deliver on plan to end homelessness

The negative consequences linked to the end of federal and provincial investment in affordable housing 20 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.<sup>30</sup>

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 few years.

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 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 Homelessness<sup>31</sup>

- Plans being implemented in Edmonton, Calgary, Red Deer, Grande Prairie, Fort McMurray, Lethbridge and Medicine Hat.
- During the first two years 3,500 formerly homeless people were permanently housed. 500 of those clients are no longer in need of any supports other than rental assistance.
- Province-wide, use of emergency shelter beds or mats on a daily basis is down 5.6% compared to two years ago..
- Community agencies are contracted to provide support services to keep people housed. Many of the Housing First providers are already oversubscribed and unable to accept new clients.
- The difficulty in getting new affordable housing projects built is a growing concern. Only about one-third of the funded housing units have been completed.

## 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.

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.

Instead of sticking with a formula that took the politics out of minimum wage setting, the province announced a minimum wage freeze. The freeze continued for 29 months until September 2011 when the minimum wage increased to \$9.40/hour with a lower \$9.05/hour wage for workers serving liquor. From now on, the minimum wage will be adjusted annually using a formula that includes inflation and average earnings.<sup>32</sup>

Because of the prolonged freeze in our minimum wage, while other provinces aggressively increased theirs, Alberta now has the lowest minimum wage of any Canadian province.<sup>33</sup>

*“It is important to make sure that everyone who is working is actually earning an income that allows them not to be considered part of the working poor.”*

- Premier Alison Redford, Edmonton Journal, Nov 3, 2011

### **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.<sup>34</sup>

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

### **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.<sup>35</sup>

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 refundable employment income tax credits.



Photo: Peter de Wit

### 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. Full day kindergarten is especially beneficial for children from low income families. 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 providing a chance to get away from urban settings, are oversubscribed and need expanding.

### Seniors

The rapidly growing population of seniors and the anticipated high levels of need are a significant future challenge. 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. We also have above average tuition costs. When having to rely on loans, post-secondary education can become impossible for a low income person to access and complete. 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 experience significantly lower unemployment.

## Update: Provincial Strategies

Most provinces in Canada have initiated strategies to address poverty and vary in inception, development, focus utilized measures, and achievement-to-date.

### Manitoba

On June 16, 2011, the Manitoba legislature passed *The Poverty Reduction Strategy Act* that requires the government to develop a long-term strategy to reduce poverty and increase social inclusion across the province. The government's annual budget must include elements of the poverty reduction strategy. For transparency, the *Act* requires annual reports to the public and measures in place to assess the strategy's progress. The formation of a committee on poverty reduction and social inclusion is also required, which includes government ministers, three community members, and a member of the Advisory Council on Education, Poverty, and Citizenship. Its mandate is to review and provide advice on the strategy and search out community partners.<sup>36</sup>

The *Act* is a positive first step towards aggressively reducing poverty. The Manitoba government must still develop programs, plans, timelines and budgets for relevant action to meet the *Act's* goals. It will be in these programmatic developments that the real strength of the strategy will be seen.<sup>37</sup>

### Ontario

In December 2008, the Ontario government announced a poverty reduction plan, with a goal of reducing the number of children living in poverty by 25% over 5 years, lifting an estimated 90,000 children out of poverty by 2014. In May 2009, the Ontario legislature approved passage of the Poverty Reduction Act, which required the Province to set a new poverty reduction target and action plan every 5 years.<sup>38</sup>

The Ontario Child Benefit (OCB) is one key area in this province's poverty reduction strategy. The OCB is a monthly benefit paid to low-income families with children under the age of 18 and provides up to \$1,100 annually per child. The Government of Ontario has committed to raising the OCB to \$1,310 annually per child who are in low-income families for 2012. It appears that the OCB has had a positive effect. The poverty rate for children in Ontario declined from 15.2% (2008) to 14.6% (2009). In 2009, 19,000 fewer Ontario children were living in poverty.<sup>39</sup>

### Quebec

In 2002, Quebec was the first province in Canada to introduce a legislated poverty reduction strategy called the Act to Combat Poverty and Social Exclusion. In May 2010, the Province released its second action plan (2010-2015) entitled Quebec's Combat Against Poverty. Its aim is to make regional and local communities key players in the decision making process, acknowledge the value of employment and fostering the self-sufficiency of individuals, support the incomes of disadvantaged Quebecers, and improve the living conditions of low-income individuals and families.<sup>40</sup>

Between 2002 and 2009, the percentage of persons with low-incomes (after-tax) in Quebec has dropped from 12.3% to 9.4%.<sup>41</sup> Public policies framed by the Act and a positive economic environment were seen as factors behind this decline. Considering the negative consequences of the recession, there are concerns that the action plan offers only limited income security protection and incremental improvements in the minimum wage and working conditions.<sup>42</sup>

### Nova Scotia

The Nova Scotia government released its Poverty Reduction Strategy - Preventing Poverty. Promoting Prosperity. Nova Scotia's Poverty Reduction Strategy - on April 3, 2009. Its goal for 2020 is to, "break the cycle of poverty by creating opportunities for all Nova Scotians to participate in the prosperity of the province and enjoy a better standard of living."<sup>43</sup>

As of 2009, 8.0% of Nova Scotians are in low-income families (after-tax).<sup>41</sup> On top of the moral imperative to end poverty, it is also a heavy burden on the state, costing an estimated \$1.5 to \$2.2 billion dollars per year, or between 5-7% of Nova Scotia's GDP in 2008.<sup>44</sup>

The adoption of the poverty reduction strategy in Nova Scotia represents a step in the right direction and has been marked by some recent initiatives:<sup>45</sup>

- Effective July 1, 2011, the Affordable Living Tax Credit was indexed to keep pace with inflation; approximately 240,000 Nova Scotians benefited. Additionally, the Nova Scotia Child Benefit was increased by over 20% per month for about 40,000 Nova Scotian children.

- The Income Assistance Wage Exemption policy provides a flat rate exemption of \$150/month in addition to the exemption of 30% starting July 1, 2011.
- The Poverty Reduction Credit was increased to keep pace with inflation; benefiting about 13,000 income assistance recipients.
- Developing a labour market information strategy that contributes to a better understanding and response to the labour market needs of underrepresented groups in Nova Scotia.

### New Brunswick

In 2010, the government of New Brunswick adopted the Economic and Social Inclusion Act to serve as the legislative framework to implement its poverty reduction strategy – Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan).<sup>46</sup> The goals of the plan are to reduce poverty by 25%, and decrease deep income poverty by 50% by 2015.<sup>47</sup>

In order to implement the plan, the government established a new crown corporation called the Economic and Social Inclusion Corporation composed of a board of directors representing government, business, community non-profit organizations, and individuals having experienced poverty. The Corporation will set baselines and establish indicators, both at the provincial and local levels, as well communicating progress on poverty reduction to all New Brunswickers.

### Newfoundland and Labrador

On December 6, 2005, the Government of Newfoundland and Labrador passed its poverty reduction strategy - Poverty Reduction: An Action Plan for Newfoundland and Labrador. The strategy uses an integrated approach based on the principles of social inclusion and collaboration. The plan recognizes how various factors relate including poverty and gender, education, housing, employment, health, social and financial supports, and tax measures, as well as the linkages between women's poverty and their increased vulnerability to violence.

In its 2011 budget, the province invested almost \$140 million towards initiatives that are a part of the poverty reduction strategy, in addition to providing new supports and enhancing existing services for those living in straitened circumstances. The initiatives are aimed at achieving four outcomes: improving access to key health services, enhancing housing and community supports,

ensuring a better educated population, and enhancing the province's social safety net.<sup>48</sup>

The government is also investing approximately \$5 million to enhance housing and community supports. \$2.4 million in additional funding will be provided for the Supportive Living Community Partnership Program which brings the total funding available in 2011-12 to \$4.8 million. This program provides funding to community-based organizations that help people who are vulnerable to homelessness. The funding is used to help develop housing supports for people experiencing multiple barriers and to promote housing stability.

Since implementing its poverty reduction strategy, Newfoundland went from being one of the provinces with the highest levels of poverty to one with the least. By all available measures of low-income, the province is seeing significant improvement in reducing the overall level of poverty since 2005. The percentage of persons in low-income decreased from 8.6% in 2005 to 7.0% in 2009.<sup>42</sup> Program indicators also highlight progress. For example, the Income Support caseload has decreased substantially, from 36,700 in 2003 to 31,323 in 2008, while from 2006 to 2009 basic individual and family benefits increased by an average cumulative 11.6%.<sup>49</sup>

### Prince Edward Island

In July 2011, the government released a discussion paper entitled Preventing and Reducing Poverty in Prince Edward Island: A Strategy for Engagement.<sup>50</sup>

According to Community Services, Seniors and Labour Minister Janice Sherry, "The discussion paper will assist Government in working with Islanders, community organizations, and employers on how to prevent and reduce poverty across Prince Edward Island," said Minister Sherry. "Throughout the summer and fall, we are seeking feedback from the public, concerned groups, and especially from Islanders who are living in poverty. After more public input, I expect government to release its Social Action Plan to reduce poverty in early 2012."<sup>51</sup>

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# Developing a Comprehensive Poverty Reduction Plan

*"I view this approach as a model for effective, responsive government and I intend to apply it to poverty reduction. By having assorted government departments collaborate closely across ministry boundaries at the provincial and municipal levels, I will provide impoverished Albertans with comprehensive assistance including housing, addiction treatment, mental health, job supports and help with schooling."*

- Premier Alison Redford's response to a survey question from Action to End Poverty in Alberta

## We are all in this together - We are all part of the solution

The development and implementation of a comprehensive plan to prevent, reduce and ultimately eliminate poverty in Alberta is a bold commitment that will be an important issue in the next provincial election. To be real, a comprehensive plan must set clear poverty reduction targets and timelines and address the systemic and underlying causes of poverty.

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, faith groups, First Nations and Métis, immigrant communities, funding bodies, academic researchers, and those who live or have lived in poverty.

## A Call to Action - Next Steps

To be successful, this process needs to take 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. Albertans need to take action now to make sure that we develop a made-in Alberta plan. We ask that you

- Support the many organizations in your communities working on reducing poverty.
- Learn about poverty reduction strategies and what works best to build strong communities and a health economy.
- Communicate with all candidates in the upcoming election to find out what their positions are on a comprehensive poverty reduction strategy.
- Encourage municipal, business and organizational leaders to join the call to End Poverty in Alberta.

Speak out – organize events, write letters to the editor and phone into radio shows.



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