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FACT sheet

Poverty in Alberta



edmonton
SOCIAL PLANNING COUNCIL



Background

Although our province is prosperous, there are Albertans who struggle everyday with poverty. During the last recession, many individuals with low and modest incomes struggled financially.

Addressing this complex social problem is no easy task. Poverty needs to be viewed as a systemic problem that requires a collective effort between various community partners and levels of government to work together and develop a practical solution. The Edmonton Social Planning Council and other organizations across the province are urging the provincial government to adopt a provincial poverty reduction strategy. Other provinces across the country are implementing similar strategies. These initiatives are lifting people out of poverty and are improving their overall quality of life. Such a strategy would build upon current social programs at the provincial level that assist poor Albertans.

Statistics

In 2009, 279,000 Albertans lived in poverty. (Statistics Canada, 2011)

That year, 73,000 children under the age of 18 in Alberta were living in poverty. The percentage of children living in poverty increased by 40% from 2008 (Edmonton Social Planning Council, 2, 2011).

Employment does not always bring low-income families out of poverty. In 2009, 47% of children in Alberta who were in poverty were living in households where one or more persons worked fulltime for the full-year (Edmonton Social Planning Council, 2, 2011).

In Alberta, one in eight workers make less than \$12 an hour (Public Interest Alberta, 1, 2011)

More women are working for low wages than men. 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. (Edmonton Social Planning Council, 2, 2011)

Disparities between families with low and high incomes in this province 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. The yearly income of the richest 10% of families with children went up \$156,403. Average yearly family incomes went up \$35,088 (Edmonton Social Planning Council, 3, 2012).

In 2009, Alberta had the highest level of income inequality (for after-tax household income) among all Canadian provinces (Schier, 3, 2012).

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. Children and youth make up 44% of those turning to food banks for help in 2011 (Food Bank Canada, 21, 2012).

How Much Does It Cost to Alleviate Poverty?

A recent report by the Action to End Poverty in Alberta answered this question. Every year, the Government of Alberta spends \$7.1- 9.5 billion a year to assist the poor in Alberta. This includes health care costs, criminal justice system costs, intergenerational costs and opportunity costs that are attributed to poverty. (Action to End Poverty in Alberta, 1, 2012).

Solutions

The Edmonton Social Planning Council believes that levels of government and various community stakeholders can take the following steps to reduce poverty in Alberta:

Additional funding is needed to reduce poverty: After a decade of modest improvement in reducing the number of Alberta children living in poverty, this progress was reversed after the recession. As the economy and government revenues recover, further investment is needed to fund integrated approaches that have proven effective in reducing and preventing poverty.

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Place-based poverty reduction 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 community 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.

Access to benefits: Incomes can also be improved by ensuring low income Albertans receive tax and health benefits for which they qualify. Child tax benefits are the most effective way to reduce child and family poverty. 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.

Deliver on plan to end homelessness: The commitment to end homelessness must be backed up with sufficient provincial investment. The provincial government must ensure that it is investing a sufficient amount of money in Alberta's 10-Year Plan to End Homelessness, which is reducing the number of homeless people in the province. The last two provincial budgets delivered only one-third of the required investment for this plan, in some cases diverting money from existing housing programs (Edmonton Social Planning Council, 8, 2011).

Affordable Housing: Affordable shelter is by far the biggest cost for low and modest income Albertans. Keeping people housed through affordable rents or homeownership is an



Photo: Peter de Wit

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 (Edmonton Social Planning Council, 8, 2011).

Provincial Poverty Reduction Strategy: This is a series of social policies that involve all levels of government and a variety of community stakeholders that are dedicated to reducing poverty in their jurisdiction. Nine provinces in Canada have adopted poverty reduction strategies. They have led to reductions in poverty in these provinces. For instance, Newfoundland and Labrador's strategy led to a five percent decrease in the number of residents living in poverty over a five year period (ending in 2009). Ontario's poverty reduction strategy lifted 19,000 children in the province out of poverty during the 2008 recession (Kleiss, 2012).

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