

# RESEARCH REVIEW

Issues in Canadian Public Policy No. 3

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## About This Issue

The Edmonton Social Planning Council's bi-monthly Research Review contains summaries of the latest social research publications from Alberta and other parts of Canada. Publications deal with a wide range of policy issues affecting Canada's diverse population and may focus on barriers and experiences of Canada's low income, homeless or vulnerable population.

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**The importance of social support also extends to the broader community. Civic vitality refers to the strength of social networks within a community, region, province or country. It is reflected in the institutions, organizations and informal giving practices that people create to share resources and build attachments with others.**

**The array of values and norms of a society influence in varying ways the health and well being of individuals and populations.**

**In addition, social stability, recognition of diversity, safety, good working relationships, and cohesive communities provide a supportive society that reduces or avoids many potential risks to good health.**

*-Public Health Agency of Canada*

## Thank You to Our Volunteer Researchers & Writers:

Tharsini Sivananthajothy, Adiba Sanjana, Selena Doyle, Fatima Khawaja, Hanna Nash, Sheida Azimi, Ryan Dexter, Anjil Shimon and Albert Muhigi



## **Public Interest Alberta. (2015). A Fair and Just Alberta For All: Priorities for Change**

Reviewed by Tharsini Sivananthajothy, Volunteer Researcher and Writer

Public Interest Alberta's Priorities for Change recommendations are based on revenue reform to provide funding for public services, a build a stronger democracy on the basis of fair elections and political processes to enable reform and finally stronger public services to meet the needs of Albertans in fair and just ways (Public Interest Alberta, 2015).

Targeted for Albertans, the PIA report encouraged citizens to use these recommendations as an opportunity to engage in advocacy efforts and push for "stronger community services by more equitable taxation policies" (Public Interest Alberta, 2015). PIA has developed three priority recommendations in nine areas including revenue reform, early childhood education and care, education, post-secondary education, human services and poverty, environment, health care, seniors, and democracy. The recommendations have been summarized below:

### **Revenue Reform**

- Replace the flat tax with a genuine progressive income tax that will have wealthy Albertans pay a fairer share.
- Raise corporate taxes so corporations pay a fairer share.
- Raise royalty rates so Albertans receive a fairer share on the sale of their non-renewable resources.

### **Early Childhood Education and Care**

- Improve access to early childhood education and after school care programs, specifically for families with infants, children with special needs and low-income communities through a provincial space creation program.
- Invest in affordable childcare systems by capping maximum parent fees at \$15 and subsidizing low income families on a sliding scale.
- Support professionalization of early childhood educators through comprehensive early childhood education strategies leading to wage improvements.

### **Education**

- Mandate reasonable class sizes with appropriate funding in order to create learning environments, which allow students to develop their full potential.
- Allocate resources and ensure effective supports are provided for children with special needs.
- Invest and increase support for early childhood development.

### **Post-Secondary Education**

- Recognize and support high quality post-secondary education as a public good.
- Increase access to post-secondary education to meet the national average, by increasing program spaces.
- Increase the affordability of post-secondary education, especially for low-income, rural and Aboriginal students.

### **Human Services and Poverty**

- Establish a comprehensive poverty reduction strategy, which ultimately eliminates poverty in Alberta. The plan should include support for low-income families through an Alberta Child Benefit along with investment in affordable housing and increased support for people with disabilities.
- Increase the minimum wage to \$15/hour including contracted workers, improve policies and programs that assist people to get quality living wage jobs, including language and other skills-based training.

- Increased investment in public services including quality and affordable early childhood education and care system, reduced class sizes, support for seniors and those with special needs and access to affordable post-secondary education.

### Environment

- Reinvest in monitoring, protecting and regulating the natural ecosystems including air, land, water and forests.
- Introduce a new water management strategy, which prioritizes the protection of water systems, and water use for food production and human needs, along with policies to upgrade water and waste water treatment plants without water privatization.
- Introduce policies and programs to reduce green house gas emissions and support a transition to a sustainable renewable energy economy. This would include phasing out coal fired electricity generation, greater investment in public transportation, appropriate carbon pricing policies, energy efficient buildings, increase renewable energy production and new employment opportunities to overcome jobs based in energy markets.

### Health Care

- Prevent privatization of the health care system and improve and strengthen its public nature, including expanding it to include pharmacare.
- Invest in more front line health professionals to improve the quality of care, reduce wait times and respond to increasing demands of the growing population.
- Invest in preventative health measures and the social determinants of health, including preventative community supports and primary care, programs to promote healthy lifestyles as well as reduce obesity, smoking and poverty.

### Seniors

- Fund seniors in order to provide enough long-term care beds, ensure medications are all covered by the senior's drug plan and ensure home care is a comprehensive and fully integrated, publically delivered services available universally based on assessed need.
- Reform seniors care in all care facilities through comprehensive and enforceable care and accommodation standards which are regularly enforced, inspected and have adequately trained staff to deliver high quality care. All care facilities should have Family Councils and ensure the Alberta Senior Advocate officer.
- Discontinue subsidizing private, for profit delivery of seniors care.

### Democracy

- Introduce campaign and party finance reform to include reduction in contribution limits to \$1200 per year, ban contribution by corporations and unions, institute reasonable spending limits on parties and candidates, and enforce stronger rules on disclosure on contributions and spending.
- Introduce electoral reform policies including a preferential ballot system for provincial elections, create a task-force to recommend a specific proposal for proportional representation, place legislation to ensure a maximum 10% variation in constituency voting population and establish a stronger fixed election legislation
- Strengthen citizen engagement in governance and decision-making through more effective citizen and civil society engagement in public policy making along with reducing barriers to public participation through funding and legislate the need for an annual report on the nature and extent of citizen and civil society participation, on public policy discussions and how to improve processes and outcomes.

**Full article available at: <http://bit.ly/1QAXz3R>**

**Picot, G. & Hou, F. (2015). Immigration, Low Income and Income Inequality in Canada: What's New in the 2000s? Canadian Labour Market and Skills Research Network, Working Paper No. 148**

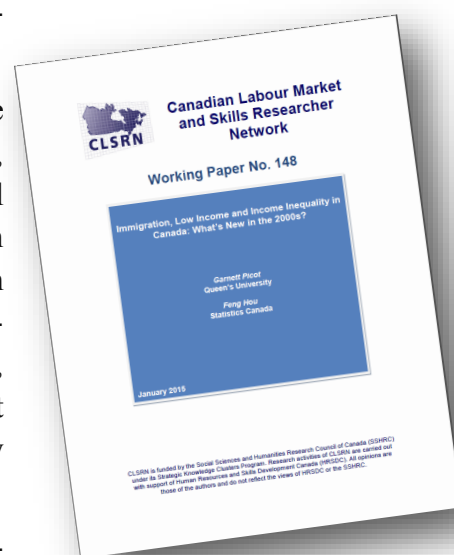
Reviewed by Adiba Sanjana, Volunteer Researcher and Writer

During the 1980s and 1990s, immigrants played a significant role in raising low-income rates and family-income inequality across Canada. The rising share of immigrants in total population accompanied by their declining economic outcomes during this period created concerns about low-income rates and high-income inequality. However, a significant fall in low-income rates occurred during the 2000s. The changed in immigration selection system (Provincial Nominee Program and Federal Skilled Worker Program) over the 2000s increased immigrant average earnings and decreased low-income rates of skilled immigrants.

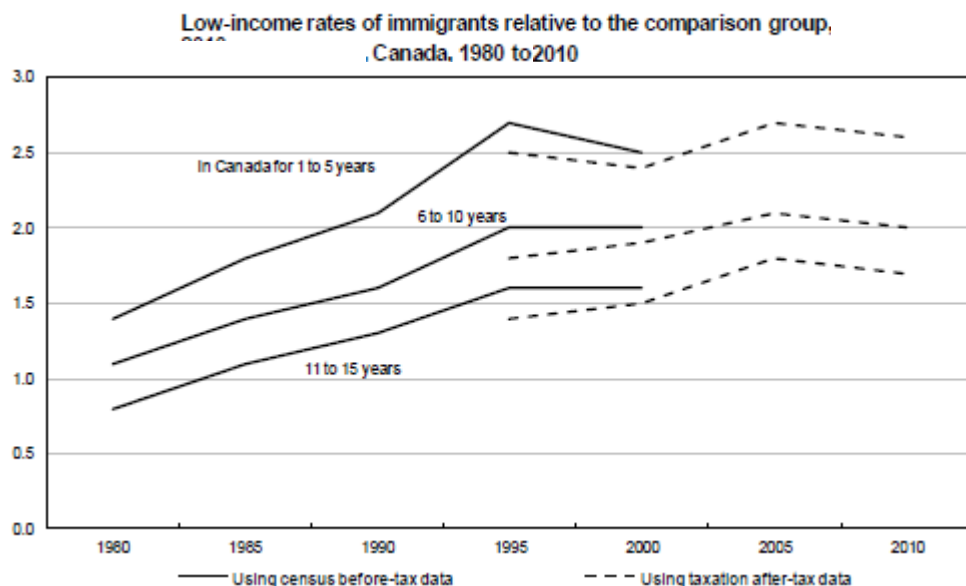
Written by Garnett Picot, adjunct professor in the School of Policy Studies at Queens University and current research fellow with the Institute of Research on Public Policy and Feng Hou, senior researcher with Social Analysis Division, Statistics Canada, the authors examine the direct effect of immigration in low-income and family-income inequality for both the immigrants and Canadian born persons over the 1995 to 2010 period.

As a primary data source, Statistics Canada's Longitudinal Administrative Databank (LAD) was used by the authors. LAD is defined by a random, 20% sample of the T1 Family File - a yearly cross-sectional file of all taxfilers and their families. LAD includes a longitudinal profile of each individual. Based on landing records of immigrants, all information such as, education, age, gender, family status, language skills, intended occupation, etc. have been included in the file. In this study, the income for 1995, 2000, 2005 and 2010 is adjusted for inflation and stated in 2010 constant dollars. Both national and regional results have been discussed thoroughly as well. The key findings of this study are:

- Immigrant low-income rates declined significantly in the 2000s compared the 1980s and 1990s, although their relatively low-income rates are in contrast to the Canadian born counterparts. Besides, low-income rates didn't change in Toronto for the immigrants whereas the decline was particularly evident in Manitoba and Saskatchewan, where relative rates declined 1.2 times for recent immigrants. However, over the 2000s the discrimination was high in most regions as low-income rates improved among the Canadian-born as well.
- During the 2000s, one-third of the decline in the low-income rate was among recent immigrants, who landed in Canada within five years or less. This was due to changes in immigrant's characteristics and selection programs, although this varied by regions.
- During the 2000s, immigrants accounted for little of the fall in low-income rates at the national level. Rather, decrease was driven primarily by the falling rates among the Canadian-born. But, rising immigrant population shares and low-income rates affected significantly to the increase in low-income rates across Canada over the 1980s and 1990s. Moreover, both immigrants and Canadian-born faced relatively high-income rates between 1995 and 2010, although immigrants contributed little to the rise in the high-income rate.



- Immigrants had a very little impact on national trends in either family-income inequality or family-earnings inequality since the mid-1990s. Family income and earnings inequality rose among both the immigrant and Canadian-born in the late 1990s. However, this paper also concludes that there was little increase in income inequality over the 2000s.



Source: Picot & Hou

#### High-income rates<sup>1</sup> by immigration status, 1995 to 2010

	High-income rate				Group contribution to the change in national high-income rates	
	1995	2000	2005	2010	1995 to 2000	2000 to 2010
	percent					
All	6.7	9.7	12.9	16.1	...	...
Immigrants for 1 to 5 years	1.4	3.0	3.2	4.6	1.1	1.0
Immigrants for 5 to 10 years	2.7	3.8	5.6	7.3	2.4	1.5
Immigrants for 11 to 15 years	4.7	6.5	6.4	9.6	1.6	2.0
Long-term immigrants and the Canadian-born	7.0	10.2	13.7	17.0	94.9	95.4

... not applicable

1. Based on family income, adult-equivalent-adjusted.

Source: Statistics Canada, Longitudinal Administrative Databank.

Source: Picot & Hou

Overall, this paper shows a very noticeable comparison in the 1990s and 2000s in terms of low-income rates, family income & earnings inequality, immigration policy, educational attainment etc. Immigration effect on income rates and inequality in Canada as a whole was relatively little in the late 1990s and 2000s. A review of extended international literature along with a few Canadian papers that address this issue also suggested the same insights as in this paper.

Full article available at <http://bit.ly/1NGxYnN>



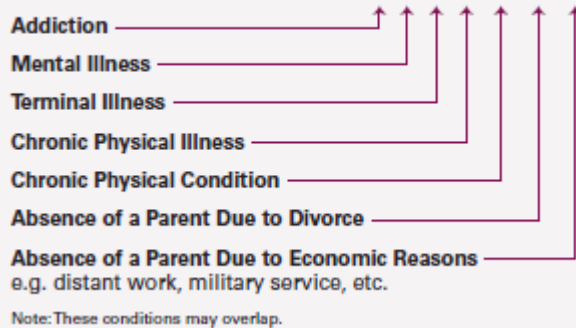
**Waugh, E., Szafran, O., Duerksen, K., Torti, J., Grant, C. & Shankar J. 2015). Is there a Care Gap for Young Carers in Canada? Canadian Journal of Family and Youth, (7)1, 2015, 1-26**

Reviewed by Selena Doyle, Volunteer Researcher and Writer

This article presents the results of an exploratory study involving community agencies and their perceptions of young carers experiences. The purpose of the study was to develop a better understanding of the interaction of community agencies and young carers in the community. Participants included 9 nonprofit organizations in Edmonton, Alberta. These organizations provide support to people with a disease, illness, or disability and were thought to encounter young carers through their services.

The authors define a young carer as someone who carries a significant amount of responsibilities for family members as a result of physical issues such as disability, chronic illness or psychological issues such as mental health issues and/or substance abuse problems. The methodology of the study was qualitative and followed a semi-structured group discussion format. Participants were asked to give their perspectives on the issues and needs of young carers, as well as to identify the gaps in support and policy.

**WHAT SITUATIONS LEAD TO YOUNG CARING?**



Discussions focused on guiding questions regarding the perceived issues young carers were thought to experience, the needs that they might have, as well as supports in the community and in social policy that may be beneficial. Findings were categorized into four theme areas.

The first theme was a lack of awareness and recognition of young carers. Carers were determined to be a nearly invisible population and not the focus of any agencies or included in any of their recorded statistics. Participants mentioned more education is necessary for agencies' staff to better understand the issues and needs of young carers and recognize and address the issues they face.

The second theme focused on the language and terminology used to identify young carers. Some community agency representatives were unaware of the distinct term and role of "young carer." Participants identified both positive and negative implications of labelling youth in this role.

Positive implications included carers being able to connect by being referred to as a common term, as well as the community recognizing the role they play. This allows community to identify young carers needs and find ways to support them. Conversely, labeling an individual as a young carer could have a negative impact by medicalizing the way carers and recipient view the relationship. Furthermore, labelling a youth could potentially leading to discrimination because it might bring attention they have different experiences compared to the majority of youth and cause them to feel isolated.

The third theme revolved around a lack of community support programs for young carers. Community agencies identified three main categories of needs for young carers which included educational needs such as flexibility regarding homework deadlines, informational needs such as basic life skills such as cooking and banking and service needs such as subsidized taxi or bus fares and counselling.

The fourth theme focused on social policies that need to change for young carers to be better supported. Participants mentioned the need to improve communication and collaboration between organizations in the

community when creating policies that affect young carers. Thus, the voices of young carers and explicit participation during this process is critical. Participants agreed the most pressing matter was to conduct a needs assessment in order to determine what resources should be developed and how community organizations and policy developers can best support young carers.

### NUMBERS OF YOUNG CARERS'

Country	Population	Number of Young Carers
United States	314 million	1.3–1.4 million
United Kingdom	63 million	175,000
Australia	22 million	170,000
New Zealand	4 million	10,500
Canada	34 million	?

Despite the noteworthy strengths of this article, there are a number of limitations worth mentioning. The participants in the study were members of community organizations that support people with physical and psychological impediments and not the actual caregivers. This is perhaps the largest potential threat to the validity as the issues that young carers face were purely speculated. As a result, future studies will require input from current young carers.

Furthermore, since discussions were not recorded there is the possibility that researchers were unable to truly capture the true nature of the discussions and they may have intentionally or unintentionally reflected their own biases. Also, organizations were all from Edmonton so it's important to keep in mind that there may be limited generalizability of the information to other parts of the world as different communities face their own unique challenges.

The article has been crafted in such a way that it appeals to a wide range of audiences and people with varying degrees of social research knowledge. It may appeal to community members and the general public as it provides sufficient background and contextual information to act as an informative resource for those wanting to learn more and better understand the experiences of young carers. Also, the authors provides clear direction for further studies which is appealing for researchers and academics.

### Young Carers Around the World: Policy Matrix

Category	Canada	England (UK)	Australia	New Zealand	United States	Scotland (UK)
National Carers Strategy	No	Yes – National Carers Strategy: Caring about carers (1999)	Yes – National Carer Strategy Action Plan (2011)	Yes – New Zealand Carers' Strategy & Five-Year Action Plan (2008)	No – National Family Caregivers Association = proxy	Yes – Caring Together: The Carers Strategy for Scotland (2010-2015)
National Young Carers Strategy	No	Some – Kent, Surrey	No	No	No	Yes (2010)
National Young Carers Organization	Young Carers Canada	National Young Carers Coalition	Young Carers (part of Carers Australia)	Young Carers NZ (part of carers.net.nz)	None	YCNET
Website	<a href="http://www.youngcarers.ca">www.youngcarers.ca</a>	<a href="http://www.youngcarers.net">www.youngcarers.net</a>	<a href="http://www.youngcarers.net.au">www.youngcarers.net.au</a>	Website in development	<a href="http://www.aacy.org/">http://www.aacy.org/</a>	<a href="http://www.youngcarers.net">www.youngcarers.net</a>
Tax Transfer/ Allowance	No	Carer's Allowance (16+)	Not for young carers but for carers	No, government is currently consulting on this. There has been little research about young carers in New Zealand to date	No	Carer's Allowance (16+)
Respite option(s)	Limited	Yes	Yes	Not for young carers but for carers	No	Limited, some options available
National Survey of Young Carers	None	Yes, conducted by the Carers Trust	Yes, conducted by government	Yes, conducted by government	None	Yes, conducted by government

Source: Action Canada (2013). Who Cares About Young Carers? Raising Awareness for an Invisible Population. An Action Canada Task Force Report.

Full article available at <http://bit.ly/1KjRgLS>

## Dobson, S. (2015). Peering into Alberta's Darkening Future: How Oil Prices Impact Alberta's Royalty Revenue. The School of Public Policy, University of Calgary

Reviewed by Fatima Khawaja, Volunteer Researcher and Writer

Alberta has led the country in GDP growth for the past 20 years with an annual average growth rate of 3.5 percent. However, the impact of falling oil prices has been felt hard in the province. Sarah Dobson, Research Associate with the University of Calgary's School of Public Policy, argues that Alberta's economic growth will slow down significantly in 2015. Other forecasters also expect a mild recession - the Conference Board of Canada predicts a contraction of Alberta's GDP by 1.5 percent whereas CIBC predicts a reduction of 0.3 percent.

The decline in price of crude in the first half of 2014 was reflected in all North American benchmark indices, i.e. WTI (Western Texas Intermediate), Bench, and WCS (Western Canada Select). While this has had an impact on the economy of Alberta as a whole by influencing corporate revenues, employment levels, real-estate, and overall economic growth of Alberta, the most wide-reaching impact will be felt on government revenues which rely heavily on bitumen and crude royalties (which have averaged to \$6.2 billion annually for the last 5 years). The government will also see a decline in its tax revenue from corporations, a fall in Crown land-leasing, and reduction in natural gas royalties. Conventional crude oil companies pay the Alberta government royalties in accordance with the Petroleum Regulatory Regime, 2009 (AR 222/2008) whereas Oilsands companies pay royalties in accordance with the guidelines to the *Oil Sands Regulatory Regime, 2009* (AR 233/2008).

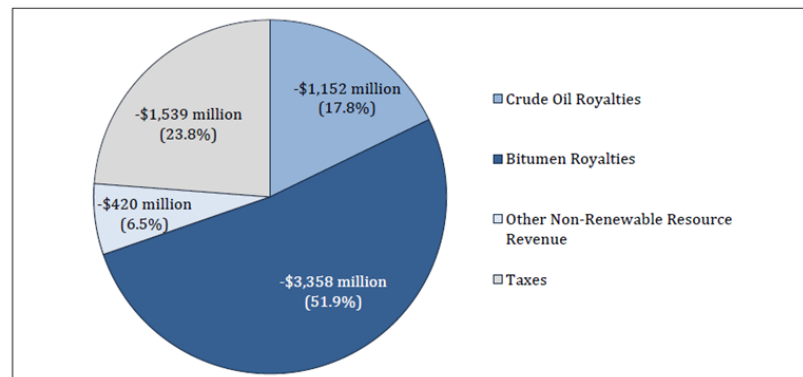
Within this framework, Dobson's article provides an analysis of the impact of dropping oil prices on royalties and government revenues. Written in March 2015, this article attempted to "unpack the government's estimates of total revenue shortfalls for the 2015/16 fiscal year by looking at the declines by revenue source." (p.2)

For the coming fiscal year, crude oil and bitumen royalties are forecast to fall short of the budget target by \$549 million. If oil prices stay below \$50 a barrel, then the expected drop in government revenue will be \$10 billion (p.8). With current annual government revenues hovering around \$45 billion, these scenarios represent significant revenue declines of 15 to 22 per cent.

The primary contributing factors to the current decline of oil prices can be tracked back to the basics of supply and demand — a rapid increase in global oil production that has been countered by only moderate growth in global demand. The growth in global oil production has been a modest 2.1% from 2013 to 2014. Yet, it is growing at over twice the pace of demand which increased by only 0.8% from 2013 to 2014.

In such a situation, only a fall in production can cause oil prices to rise again. OPEC countries' production has remained relatively steady throughout this period, and it is clear that a reduction in production has to come from non-OPEC countries. This has yet to be realized, and presently, there are little signs that oil production from non-OPEC countries will decline any time soon. In Alberta, for example, production of bitumen and crude oil *increased* by 6.7 percent (181,000 barrels per day) from June to December 2014.

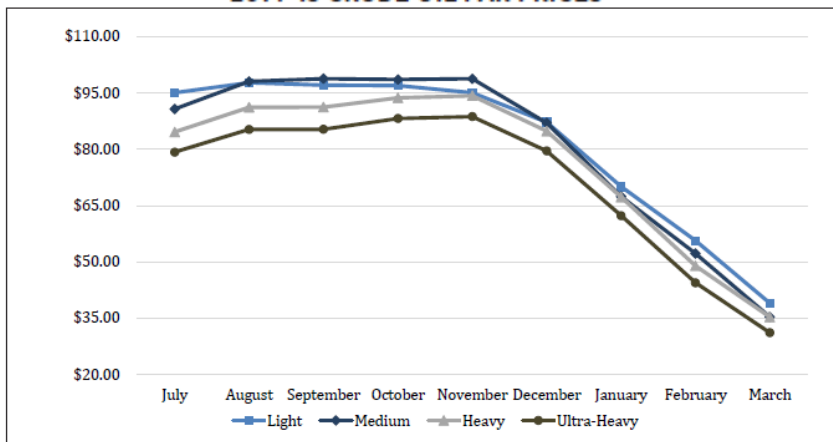
FIGURE 11 BREAKDOWN OF ESTIMATED \$6.4 BILLION DECLINE IN GOVERNMENT REVENUES FOR AN AVERAGE 2015/16 WTI PRICE OF \$55





Canadian companies are, however, responding to the oil price crisis in by reducing capital expenditure for 2015. The following cutbacks have been announced: Husky Energy (\$3.4 billion/-42 per cent), Penn West (\$215 million/-26 per cent), MEG Energy (\$895 million/-75 per cent), White Cap Resources Inc. (\$115 million/-32 per cent), Bonavista Energy (\$150 million/-30 per cent), ARC Resources Ltd. (\$125 million/-14 per cent), Cenovus Energy (-\$1.2 billion/-38 per cent), Canadian Natural Resources Ltd. (\$2.4 billion/-28 per cent)<sup>98</sup> and Suncor (\$1 billion/-13 per cent)

**2014-15 CRUDE OIL PAR PRICES**



Source: Alberta Energy, "2014 Par Prices: December" and "2015 Par Prices: March."

Most analysts are expecting a gradual recovery in oil prices to start in the second half of 2015 when slower production growth is realized. Dobson estimates that the brunt of the price fall of oil will not hit Alberta government's revenues until the fourth quarter of the 2014/15 fiscal year, primarily the result of a decline in corporate tax revenue. Although the current fiscal year impact has been significantly mitigated by a strong first half of the year (which saw both bitumen and crude oil royalties well exceed their targets), the Gov-

ernment of Alberta suggested that the province's real economic growth will fall by over 3 percent and unemployment will rise by 0.5 to 1 percent. The end result is decrease corporate and personal taxes in Alberta, thereby further reducing government revenue.

In preparation for the decline in revenue, former Premier Jim Prentice released Alberta's budget for 2015 recognizing the impact the proposed budget cuts would have on Albertans. Prentice dropped the writ a year earlier than the scheduled spring 2016 election and stated that he wished to have a mandate from Albertans to go-ahead with his proposed budget.

Albertans elected the NDP government with a 52 seat majority on May 5, 2015. In June 2015, it was announced that Alberta had ended its 2014/15 fiscal year with a \$1-billion surplus, in spite of the drop in oil prices.

Full report available at <http://bit.ly/1KjRvXo>

## Shillington, R. (2014). *The Big Split: Income Splitting's Unequal Distributions of Benefits Across Canada*. Broadbent Institute.

Reviewed by Hanna Nash, Volunteer Researcher and Writer

In 2014, the federal government announced plans for a new family tax known as income splitting. Formally proposed in the federal government's Budget 2015, the stated purpose was to provide additional financial assistance to families with children aged 0 to 17. The premise is simple: a two-parent household is eligible to transfer up to \$50,000 from the higher-earning parent to the lower-earning parent. This allows the higher-earning parent to fall into a lower tax bracket, thereby providing a maximum of \$2000 in tax savings.

Richard Shillington's report, *The Big Split*, discussed the drawbacks of the income splitting distribution plan. Shillington, a statistician, uses research and data from Statistics Canada's Social Policy Simulation Database/Model, among others, to bring attention to the lack of financial benefit income splitting system would provide Canadian families.

Shillington finds that the vast majority of Canadian families with children under 18 years of age would either benefit minimally or not at all from income splitting measures, despite being the express target of this tax initiative. The author indicates that 90 percent of all Canadian households (which includes families with or without children and households with a single person) would not benefit from income splitting.

In fact, only one percent of households would see any financial benefit beyond \$5000.00. The author's central critique is that the main beneficiaries of this policy are higher-income families because they typically have high income-earning parent who are more likely to split up to \$50,000 to their lower-earning spouse.

For a family to receive the maximum benefit available from income splitting, a maximum of \$50,000 taxable income is allowed to be shifted from one earning spouse to the other. This means that the higher income earning spouse would need

to make at least \$100,000 more than the lower earning income spouse. Families, in which both parents are in the same tax bracket or whereby a single parent is raising children, would not receive any benefit as they are unable to transfer a significant amount of taxable income.

Furthermore, income splitting further perpetuates financial inequalities across Canada. While only 13.8% of families throughout Canada are eligible for a \$2,000 benefit, the variation between the provinces is considerable. Canadians most likely to receive \$2,000 or more from income splitting are Albertans at 22.8% while Quebecers are the least likely to benefit with only 7.4% eligible for full benefit.

Although the federal government promotes income splitting as a family benefit Shillington's research indicates approximately 54.1% of families with children under 18 would have no benefits. This includes 61.1% of families in Quebec, 57.6% in Prince Edward Island, 55.7% in Manitoba, 55% in New Brunswick and 44.1% in Alberta.

**NUMBER OF FAMILIES WITH CHILDREN UNDER 18, BY VALUE OF INCOME-SPLITTING, 2015**

BENEFIT RANGE	PERCENT	NUMBER OF FAMILIES	AVERAGE BENEFIT (\$)
Zero	54.1%	2,135,000	\$ –
\$1-499	12.8%	505,000	\$254
\$500- \$999	8.8%	346,000	\$725
\$1,000-\$1,999	10.6%	419,000	\$1,441
\$2,000-\$2,999	4.5%	176,000	\$2,434
\$3,000-\$3,999	3.1%	122,000	\$3,490
\$4,000-\$4,999	2.5%	98,000	\$4,462
\$5,000 +	3.7%	147,000	\$7,128
<b>Total</b>	<b>100.0%</b>	<b>3,949,000</b>	<b>\$841</b>

Source: Shillington (2014)

PROPORTION OF BENEFIT AND AVERAGE  
BENEFIT FOR FAMILIES WITH CHILDREN UNDER 18, 2015

	NO BENEFIT	UNDER \$2,000	\$2,000 - \$5,000	OVER \$5,000	AVERAGE BENEFIT*
Quebec	61.1%	31.4%	6.1%	1.3%	\$510
Prince Edward Island	57.6%	34.3%	7.2%	0.9%	\$488
Manitoba	55.7%	29.5%	12.2%	2.6%	\$772
New Brunswick	55.0%	32.9%	8.2%	3.9%	\$787
British Columbia	53.8%	31.8%	10.1%	4.2%	\$853
Ontario	53.3%	32.5%	10.7%	3.4%	\$874
Saskatch- ewan	52.3%	28.2%	13.3%	6.2%	\$1,070
Nova Scotia	52.2%	34.5%	11.6%	1.7%	\$727
Newfound- land & Labrador	46.7%	38.1%	10.9%	4.3%	\$925
Alberta	44.1%	33.1%	13.8%	9.0%	\$1,359
All Provinces	54.1%	32.2%	10.0%	3.7%	\$841

Source: Shillington (2014)

mum of \$50,000.

Shillington's report provides insight into the inequalities and problems the Canadian federal government has created through income splitting tax measures. His report is written concisely and comprehensibly and may appeal to academics and the general public. The facts and data used in his report offer specific examples to demonstrate how income splitting affects individuals in addition to the problems income splitting has caused to the country as a whole. Shillington's report is very informative and provides an insightful look into the uneven distribution of benefits created by income splitting.

Additionally, the author's findings show that two out of three qualifying families receive less than \$500. The average benefit across Canada is \$185 (all households) with Albertans receiving the highest benefit rate, at \$332 and the lowest in Quebec at \$106.

Shillington questions whether the \$185 average benefit justifies a \$3 billion loss in federal revenue. Framed in this narrative, the author argues the cost to Canadians will most likely be much higher than any benefit gained. Moreover, lone-parents who are more likely to need this benefit are automatically excluded from this plan.

In Alberta, lone-parent households have the highest rates of poverty among households with children. There is also little benefit to dual-income households where parents are in the same tax bracket. Rather, high-income families who typically have one working parent (3.7% of families) benefit the most by being able to shift a maxi-

*"When one considers that all Canadians will be affected by the \$3 billion loss in federal tax revenue needed to pay for income splitting, the value of the benefit becomes particularly low."*

Full report available at <http://bit.ly/1NGz0jQ>

## Roshanafshar, S., & Hawkins, E. (2015). Food Insecurity in Canada.

Statistics Canada, Catalogue no. 82-624-X

Reviewed by Sheida Azimi, Volunteer Researcher and Writer

Food insecurity refers to a situation when one or more members of a household do not have access to the quantity and variety of food they need due to lack of money (p.3). The 1996 World Food Summit defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”. The concept of food security is defined as including both physical and economic access to food that meets an individual’s dietary needs as well as their food preferences.

Food security is built on three pillars of food availability, food access and food use (www.who.int). People with food insecurity experience several difficulties such as: poor health, poor functional health or an inability to perform key activities, major depression, multiple chronic conditions and a perceived lack of social support network (s) (p.3).

This article by Statistics Canada reports on food security in Canada. It examines different factors (source of income, number of children in the household and household type). Data from the 2007 to 2012 Canadian Community Health Survey (CCHS) was used with a focus on 2011-2012 to describe rates of food insecurity in Canada.

Respondents of the survey answered 18 questions about the food security situation in their household over the course of 12 months and were placed in three categories:

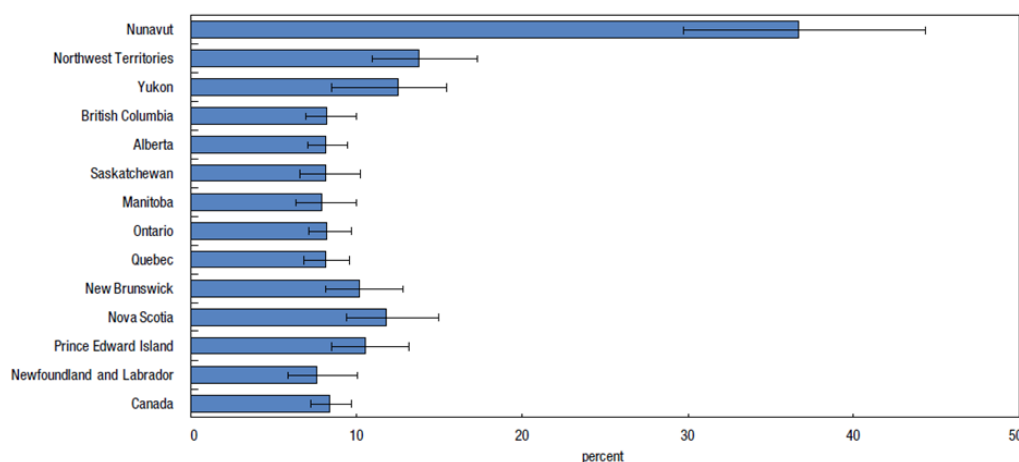
- Food secure
- Moderately food insecure
- Severely Food insecure

The article uses the combination of “moderate” and “severe” category as a reference for food insecurity. It reflects the inadequate quality and/or quantity of food, or when respondents experienced disrupted eating patterns (p.4)

The authors report that the territories had considerably higher rates of food insecurity than the provinces. With four times over the Canadian average (8.3%), Nunavut had the highest rate at 36.7%. The Northwest Territories had the second highest rate at 13.7% followed by Yukon at 12.4%. Among the provinces Nova Scotia (11.9%), Prince Edward Island (10.6%) and New Brunswick (10.2%) had the highest rates of food insecurity.

At the household level, the report states that 41.4% of households that relied on government benefits (e.g. employment insurance, Child Tax Benefit, provincial/ municipal social assistance or welfare) as their main source of income experienced food insecurity, while 23% of those with an alternate main source of income (e.g., salaries and

Percentage of food insecure households in Canada, provinces and territories, 2011–2012



Note: The lines overlaid on the bars indicate the 95% confidence interval. They enable comparison of statistical differences between estimates.  
 Source: Statistics Canada, Canadian Community Health Survey, 2011–2012.

Source: Roshanafshar & Hawkins (2015)

wages, self-employment income, alimony, child support) experienced food insecurity (p.5).

Furthermore, the authors argue that regardless of the number of children in the households, those with children tend to experience a higher rate of food insecurity than those without children. In 2011-2012, 10.3% of households with children and 7.5% of households without children were experiencing food insecurity. These findings are consistent with other research suggesting that adults tend to reduce the variety and quantity of their meals to prevent their children going hungry. Food insecurity is extremely harmful for children's health and development. Without consuming fruits, vegetables, milk products or other sources of minerals and vitamins, children might face serious health problems such as: obesity, development abnormalities or a compromised immune system (p.6).

In addition, Household food insecurity was examined by various household types and sources of income. In every type of household, rates of food insecurity were higher in households where the main source of income was government benefits. Reportedly in 2011-2012, lone-parent families with children under 18 had the highest rate of household food insecurity at 22.6%.

The article provides an explicit overview of food insecurity in Canada. As mentioned, households that relied on government benefits, as their main source of income were over three times more likely to experience food insecurity than those with an alternate main source of income. This shows the urgent need for governments to revisit their social policies and provide a long-term solution to the problem of food insecurity.

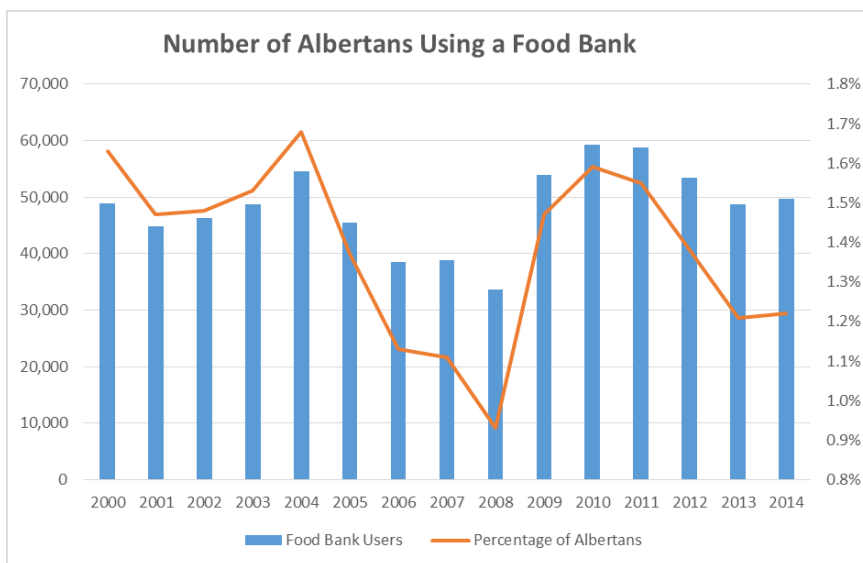
Food banks cannot solve the problem but rather to provide emergency relief (Riches, 2002). In Alberta, for example, 49,766 Albertans used food banks in 2014, an increase of 2.3% over the previous year and 48.2% higher than 2008 (Food Bank, 2014) Children represented 42.9% of food bank users with lone-parents households representing 36.5% of users. However the detailed examination of food bank usage and their effects on food insecurity is absent from the report. One possible solution to the problem is to raise the household's income through increasing government spending on social programs.

### Additional References

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Source: Food Bank Canada (2014)

Full report available at <http://bit.ly/1Ebb0Ru>



## Green, D. (2015). The Case for Raising Minimum Wage: What Does the Literature Tell Us? Center for Policy Alternatives.

Reviewed by Ryan Dexter, Volunteer Researcher and Writer

David Green from the Canadian Centre for Policy Alternatives examines the potential economic impact of raising British Columbia's hourly minimum wage to \$15. Critics raise concerns about the negative effects this increase would have on the economy in terms of net jobs lost. Critics also cite that increasing minimum wage is an ineffective poverty reduction tool because it has failed to lift Canadians out of poverty, thus far. Upon reviewing the relevant literature, Green argues that many of these concerns are unfounded and Canadians should expect an overall beneficial outcome.

**Even at the new rate of \$10.45 per hour, a person working full-time, full-year in Metro Vancouver remains \$5,441 below the poverty line—and that's for a single person, not someone trying to support a family.** Prior to increasing BC's minimum wage from \$8 to \$10.45 in 2011, the Fraser Institute claimed 52,000 jobs would be lost if such an increase did indeed occur (p.1). However, the real decline in employment was only 1.6 percent in the years following the wage increase for BC residents aged 15 to 24 – one tenth of the Fraser Institute's prediction. Green suggests that "The Fraser Institute gets its large prediction because it mistakenly applies estimated effects for teenagers to both teenagers and young adults" (p. 4). Since only 5 percent of workers earning between 12 and 15 dollars an hour are teenagers, beyond two dollars above the minimum wage mostly non-teenagers would be affected, making the Fraser Institute's estimates using research with teenagers less applicable (Green, 2015). Increasing the minimum wage to \$15 an hour would likely have a greater effect on poverty rates, since the majority of the people potentially affected by an increased wage would not be youths, a common narrative. In response to critics who see little merit in minimum wage as a poverty reduction tool. Green argues that previous increases have not effectively countered poverty rates because they were too small. Typically people working for minimum wage are employed full-time, yet continue to live below the poverty line. \$15 an hour is potentially more effective in combatting poverty (p.5).



Although minimum wages can have a weak effect on poverty levels, they have a direct effect on the “inequality among wage earners” (p. 7). This suggests that increases to minimum wage is an important step for the realization of justice and equality in society. Evidence supports this notion, as reduced inequality in wages in the Atlantic provinces over the last ten years has been the result of an approximately \$3 an hour increase to the minimum wage (p.7).

Although minimum wages increases business expenditures for organizations operating “on a low-wage, high-turnover model” (p. 7), Green contends that business may choose to invest for additional training and offer more stable employment. After all, high turnover reduces an organizations revenue since constant recruitment and hiring staff members who never develop expertise is common (p.8)). Additionally, Green cites evidence indicating higher wage jobs lend to higher rates of retention (p.8).

The minimum wage increase is unlikely to imply widespread efficiency costs for the economy as a whole.

Overall, Green’s (2015) review of the academic literature suggest that:

“Claims that increases to the minimum wage will generate huge efficiency costs for the economy and mass employment are not credible. While estimates of employment from minimum wage increases for teenagers in Canada exist, the estimated effects on adult employment are minimal at best. Those results cannot be translated into big costs for the economy.” (Green, 2015, p. 8).

Green’s (2015) review of the academic literature on the subject of minimum wage increases is important for employers paying wages between \$10.25 and \$15 an hour as well as low-wage workers since their life will be influenced by increased wages. Green’s analysis may be of value to teenagers and young adults considering post-secondary studies or going right into the work force after high school. Further, it is an important article to any citizen who is interested in advocating for or facilitating poverty reduction strategies and community dialogue.

The main reason that past increases in the minimum wage did not significantly lower the poverty rate is that they were too small.

Although Green suggest there could be a 7.6 percent decline in employment amongst workers earning between \$10.25 and \$15, this represents an overall employment decline of 0.98 percent for the BC labour force. There is a tendency among advocates and critics of minimum wage to use statistics. In this case, there is a danger of lightly discussing the 0.98 percent which may be affected. This excludes low-income people’s lived experiences. In other words, this small decline should not be taken lightly, as human beings would be effected negatively. This should not deter an increase to minimum wage, but government should be aware of the potentially affects and have solutions available to ensure others do not fall within the income gap.

Full report available at <http://bit.ly/1Rl6SEt>

## Government of Alberta. (2015). Supporting Healthy Successful Transitions to Adulthood: A Plan to Prevent and Reduce Youth Homelessness.

Reviewed by Anjil Shimoon, Volunteer Researcher and Writer

Collaboration among the Government of Alberta and community partners is critical to end youth homelessness. In early 2015, 12 communities across Alberta came together to provide input for this report. The content of the report is based on consultations with numerous stakeholders, from community agencies to youth who have experienced homelessness.

In 2009 the Government of Alberta implemented a 10 year plan to reduce homelessness in Alberta. Since the 10 year plan was implemented, more than 9865 homeless Albertans have received supports and services and more than 73% continue to be successfully housed. 13% were youth between the ages of 18 and 24 years of age. During 2011/2012, over 4000 youth were helped through various outreach agencies and shelters; this does not include youth who chose not to or were not able to engage with such supports. Thus, the plan to end youth homelessness has been developed due to the unique experiences of homeless youth and the need for specialized services for such individuals.

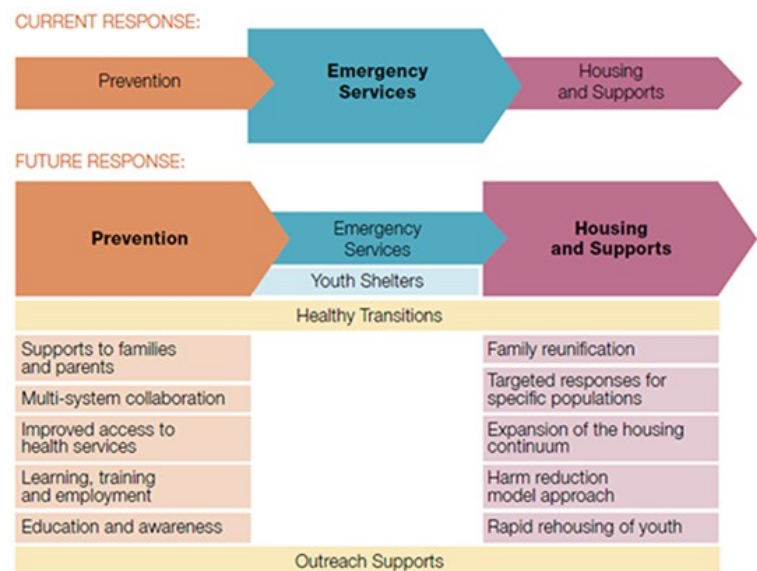
The Government of Alberta considers youth as those between the ages of 13 and 24. The government defines homelessness as having a lack of a permanent residence. So, individuals who couch surf, live on the street, depend on shelters, or experience unsuitable or unstable situations are considered homeless.

Homelessness is the result of a confluence of factors, such as involvement with Child Intervention Services, a history of family conflict, mental health concerns and substance use. As the strategy outlines, there is a distinct set of circumstances and challenges that homeless youth face. This includes fear of authorities, which can result in youth not engaging with supports and services, becoming entrenched in the street lifestyles, an increased risk of high risk behaviour and violent experiences (including, mental health concerns, physical and/or sexual abuse, involvement with police or the justice system).

Significantly, homeless youth have experienced higher than average involvement with the foster care system. In Alberta, 33.6 percent of homeless youth between the ages of 18 and 24 reported having been involved with foster care.

The plan to end youth homelessness is premised on the shift from emergency responses, such as youth shelters, to an emphasis on prevention, housing and supports. The prevention measures identified include education and awareness, supports to families and parents, learning, training and employment opportunities. Housing and supports includes such measures as reunification with family, harm reduction, expansion of housing services, and rapid rehousing of homeless youth.

Increasing housing stability and resiliency amongst homeless youth, the prevention of youth homelessness through education and enhanced supports and positive transitions to adulthood are the anticipated outcomes of such measures; these outcomes are, in turn, linked with the broader Social Policy Framework previously



Source: Government of Alberta (2015)

developed by the Government of Alberta.

The youth plan further outlines several short, long, and medium term goals in regards to addressing youth homelessness, with several areas of action for each. It also indicates who the primary stakeholders are, and the responsibilities for each. Individuals and families, for example, are charged with increasing their awareness of the issue and becoming active and engaged citizens, who take responsibility for individual health, wellness, and personal relationships.

Service providers and non-governmental organizations are responsible for the delivery of services and supports, working with government to identify needs and issues and collaborating with other agencies and partners. The responsibilities of the private sector are more focused on the workforce, through enhancing the capacity of workers and providing leadership. The private sector is further designated as being responsible for providing ‘philanthropic and charitable giving’ (page 9). The government’s main role, as indicated in the report, is to provide support to agencies, partners and other stakeholders, as well as providing the legislative, policy and action framework.

#### Completed (2013 – 2014)

- Scope of the issue.
- Evidence-based best practices.
- Community capacity-building.
- Common and consistent data collection.

#### Immediate/Short-Term Priorities (2014 – 2015)

- Encourage multi-system collaboration.
- Expand the housing continuum for youth.
- Expand outreach supports and services.
- Developed targeted responses for specific populations.
- Develop a needs/risk assessment tool.

#### Medium-Term Priorities (2015 – 2016)

- Increase supports to families and parents.
- Public education and awareness.
- Develop a rapid re-housing response for youth.
- Increase access to learning, training and employment.
- Support models of family reunification.
- Increase access to mental health and addictions services.
- Support the use of harm reduction models in service delivery.

#### Long-Term Priorities (2016 – 2017)

- Promote a single point of entry into the system philosophy.
- Continuous engagement of community, including youth.
- On-going evaluation of the Youth Plan.

Source: Government of Alberta (2015)

PRIORITIES			
Prevention and Awareness	Early Intervention	Client-Centred Supports	Research and Evaluation
GOALS			
Prevent youth from becoming homeless	Youth receive supports before they become entrenched in homelessness	Youth have access to client-centered supports	Youth homelessness in Alberta is understood, measured and evaluated
STRATEGIES			
<ul style="list-style-type: none"> <li>• Supports to family and parents</li> <li>• Needs/risk assessment tool development</li> <li>• Public education and awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach</li> <li>• Encourage multi-system collaboration</li> <li>• Accessibility to mental health and addictions services</li> <li>• Rapid rehousing of youth in crisis</li> <li>• Improve access to learning, training and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Targeted responses for specific populations</li> <li>• Single point of entry into the system</li> <li>• Harm reduction model</li> <li>• Expansion of the youth housing continuum</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent data collection and data sharing</li> <li>• Scoping and monitoring the Youth Plan's success</li> <li>• Evidence-based best practices</li> </ul>
Stakeholder Engagement			
Community partners and youth mobilize solutions to address youth homelessness			
<ul style="list-style-type: none"> <li>• Community capacity-building</li> <li>• Youth leadership and engagement</li> </ul>			

Source: Government of Alberta (2015)

While “Supporting Healthy and Successful Transitions to Adulthood: A Plan to Prevent and Reduce Youth Homelessness” provides useful information and statistics around the issue of youth homelessness in Alberta. In many ways it raises more questions than it answers. There is no mention of any funding commitments on the part of the provincial government; the only mention of money is in relation to the ‘charitable giving’ on the part of the private sector and this begs the question of whether any further funding for supports and services is forthcoming. There are no specific targets set for the reduction of youth experiencing homelessness. In addition, the action items are vague and do not outline any specific plans. While this is perhaps left to the municipalities to develop on their own, it does raise the question of whether the provincial government is potentially divesting themselves of responsibility for this serious issue.

Full report available at <http://bit.ly/1LkiJ2h>



**Burleton, D., & Bendiner, J. (2015). Alberta Fiscal Outlook: Seizing the Day to Set the Province On a Stronger Long-Term Footing, Special Report: TD Economics.**

Reviewed by Albert Muhigi, Volunteer Researcher and Writer

The recent fall in oil prices has caused governments in oil producing regions to adjust their fiscal plans. In early 2015, the Government of Alberta announced an expected shortfall of \$7 billion in revenue. In March 2015, the provincial government unveiled their highly anticipated Budget 2015, amid decreased oil prices and suggestion that the proposed budget would affect every Albertan regardless of age, gender or socioeconomic status.

In response to the economic uncertainty in Alberta, economists Derek Burleton and Jonathon Beniner suggested the following approach in their 2015 TD Economic Special Report

- Setting a clear and achievable deficit elimination timetable.
- Favoring thoughtful program design over “slash and burn”.
- Focusing on tax reform and not tax hikes.
- The Alberta government should reduce its reliance on volatile non-renewable resource revenue (p.1).

The authors compare Alberta's 2015 situation with the early 1990s where the government faced a revenue shortfall and the deficit-to-GDP ratio spiked to more than 4%. The authors recommended the Alberta Government to learn from these past experiences and strategize on a fiscal plan to alleviate the current situation (p.3).

The author's recommended strategies are:

**Set a clear and achievable long term plan.**

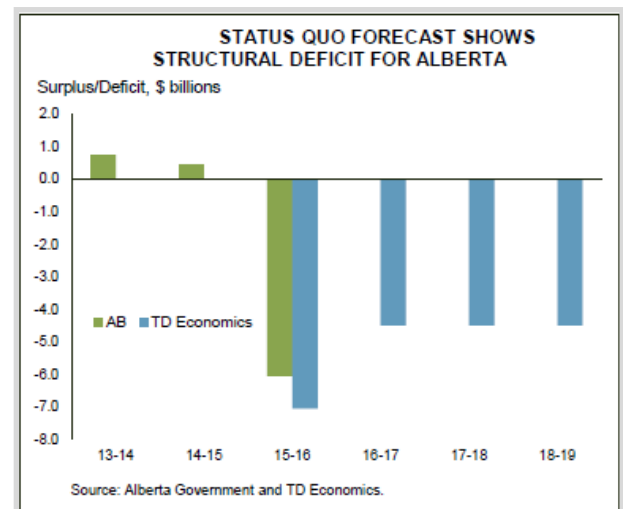
Outline a clear, multi-year plan. The government should set realistic goals when making a fiscal plan so to ensure they are equipped to meet their targets. As much as it would be significant for the government to control the expected deficit within a one year cycle, Derek Burleton and Jonathan Bendiner predict it would take about 3 to 4 years for the economy to recover (p.3).

**Avoid a slash and burn approach.**

The government should be strategic when determining which programs, departments or ministries receive additional or decreased funding. Burleton and Beniner warn that short-term fiscal mismanagement may create long-term problems for the government and Albertans. Financial management should be an ongoing process catering to the financial needs where the need arises (p.3).

**Avoid selling assets purely for fiscal reasons.**

Selling assets will only bring in a one-time boost in revenues which may not be as beneficial to the government. These assets can bring in revenues on a yearly basis through the services that they provide. “Assets should only be sold if efficiency gains can be realized.” (p.4).



Source: Burleton & Bendiner (2015)



## SPECIAL REPORT

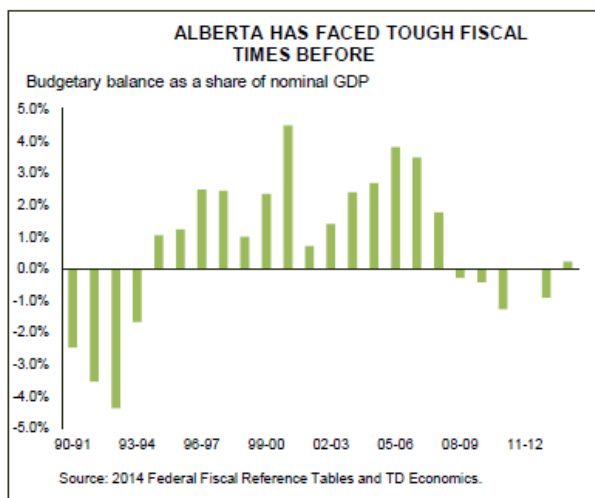
TD Economics

### Focus on tax reforms and not tax hikes.

Burleton and Bendiner argue that taxes on capital and income impose the largest negative impact on economic growth. However, consumption based taxes such as value added provincial sales tax may be beneficial for the Alberta government. Alberta is also the only province that has a non-progressive tax system, so another approach to improve the economy would be to tax individuals based on their income that is to say the higher the income one makes the higher the taxes they should incur. “International research supports the notion that more progressive PIT systems lower income inequality and thus lead to stronger economic growth over the long run.” (p.4).

### Less reliance on oil royalty revenues should be a long term goal.

To establish long-term growth and security, the government must have less reliance on the oil and gas sector. For the past ten years this sector has contributed to 30 percent of the government’s revenue not including the corporate tax levied on oil and gas companies. Reliance on a volatile sector is risky as seen by the current drop in oil prices which in turn has affected the Alberta economy. Drawing a new budget gives the government an opportunity to look into other sectors which may contribute to the economy and move away from the reliance on the volatile non-renewable resource revenue. Some of the future revenues from the oil and gas sector should be set aside as savings for the future (p.5).



Source: Burleton & Bendinder (2015)

### Discussion.

With the recent fall in oil prices, the Alberta economy faces with a big challenge as it is heavily reliant on the revenue outcomes from the oil and gas sector. With a number of projects losing funds, an increasingly number of Albertans facing income shortage and unemployment.

The new NDP government has a lot of work ahead to stabilize the economy. The TD report provides government, policy makers and community members with a set of strategies that can be implemented to strengthen and diversity of Alberta’s economy. Alberta’s recent economic downturn speak to the issues of being reliant on non-renewable resource revenue for revenue.

In conclusion the government has to be strategic in its approach when drawing out a new budget. Alberta’s new government must collaborate with the oil and gas sector to implement long-term, sustainable solutions. The government can also focus its efforts in revamping the agriculture sector, forestry, tourism and manufacturing to strengthen the economy and keep it afloat even when the oil and gas sector revenue decreases.

Full report available at <http://bit.ly/1EvmASd>

# About the Edmonton Social Planning

## 2015-2016

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The ESPC is an independent, non-profit, charitable organization. Our Focus is social research, particularly in the areas of low income and poverty.

We are dedicated to encouraging the adoption of equitable social policy, supporting the work of other organizations who are striving to improve the lives of Edmontonians, and educating the public regarding the social issues that impact them on a daily basis.

### Our Vision

A healthy, just and inclusive community.

### Our Mission

The Edmonton Social Planning Council provides leadership within the community by addressing and researching social issues, informing public discussion and influencing social policy.

## Research Review Newsletter September 2015

The Edmonton Social Planning Council, in collaboration with our volunteers, strive to provide stakeholders and community members with up-to-date reviews on recently published social research reports.

**Interested in volunteering for the ESPC or being added to our distribution list?**  
Contact Manuel Escoto at [manuele@edmontonsocialplanning.ca](mailto:manuele@edmontonsocialplanning.ca)

### Mailing Address

Suite #37, 9912—106 ST  
NW  
Edmonton, Alberta

## Meet Hanna Nash, ESPC Volunteer Researcher and Writer

Hanna was born and raised in Edmonton and is happy to be involved as a volunteer for the Edmonton Social Planning Council. Since bringing awareness to social and environmental issues is of much importance to her, and writing is also among Hanna's delights in life, volunteering for the council is especially enjoyable.

In her spare time Hanna treasures the few moments she has to read classic and murder mystery novels and gardening vegetables and flowers in her yard. Creating new recipes with ingredients from her herb and vegetable patch for her friends and family is welcome distraction from the hustle of everyday!

This year Hanna has been to Hawaii and Hong Kong, both of which have definitely reignited her desire to learn about other cultures and ways of living. She hopes to work abroad one day soon. After completing high school, Hanna decided to pursue a diploma in journalism from Grant MacEwan University and a degree in Communications from Athabasca University.

