



who is
affected by
poverty

SPRING 2012

poverty in calgary – A Four Part Series

- (1) What is Poverty?
- (2) Why Does Poverty Exist?
- (3) **Who is Affected by Poverty?**
- (4) How is Poverty Reduced?

This is the third booklet in a series that aims to provide a glimpse into the complexities around what poverty is, why it exists, who it affects, and how it can be reduced. This series was researched and authored collaboratively by United Way of Calgary and Area, The City of Calgary, and Vibrant Communities Calgary.

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Back Cover Photo Credit: Ming Emma Ko



THE CITY OF
CALGARY
COMMUNITY &
NEIGHBOURHOOD SERVICES



vibrant
COMMUNITIES
CALGARY

who is affected by poverty

individuals?

our communities?

certain groups more than others?

a few of us?

some of us?

all of us?

1 in 10
Calgarians
live in poverty
Nearly
400,000
Albertans
live in poverty

These numbers represent those who experience poverty directly, but many more of us are affected by poverty indirectly. Poverty is a drain on the potential, possibilities, and opportunities of individuals as well as communities. In fact, poverty affects us all - our families, communities, and society as a whole.

poverty affects...

1 in 10 calgarians directly

Michael, who had 20 years of experience in the workforce, was no longer able to work after he sustained a permanent and severe brain injury in a car accident. He is now dependent on the monthly income provided through AISH, of \$1,588, supplemented by some additional benefits.¹ He now lives in poverty.²

Unfortunately, no one is immune to poverty. The degree to which a person is vulnerable is based on a complex mix of factors which are further explored in *Why Does Poverty Exist?* of this series. This booklet provides examples of who is most likely to be impacted by risk factors associated with personal, community, institutional and societal levels.

At a personal level, unexpected situations and shifting variables can influence who is living in poverty. Many people affected by illness, injury, divorce, or job loss struggle to make ends meet, for instance. Such unexpected events have a significant impact on income levels, ability to work, and savings.

Likewise, variables such as age or family responsibilities can lead to changes in a person's financial well-being. These variables can cause fluctuations in costs of living, income, and employability. For a senior on a fixed income, for example, rising medical expenses can present challenges to meeting basic needs. For others, becoming a caregiver means adjustments to paid work arrangements by taking time off from work, reducing work hours, quitting or retiring, and turning down job offers or promotions.

Jason, a custodian, and Jennifer, a school secretary, are making ends meet by working full-time to support their growing teenagers. Jennifer's aging mother suddenly becomes very ill however, and she is forced to quit her job so that she can care for her at home. Without Jennifer's income, the family must rely on savings once government income supports dry up. There is no telling how long Jennifer's mother will need care.²

fast FACT

In 2001, only **33% of women** qualified for employment insurance (EI) compared to **44% of men.**³

poverty affects.. 1 in 10 calgarians directly

Parenthood is another variable that can bring on added financial stress. Issues such as the lack of accessible childcare, the need to limit work hours to juggle parenting responsibilities, lower wages and less job stability contribute to the fact that almost **1 in 5 children under the age of 15 in Calgary are living in poverty.**⁴

Growing up in poverty greatly increases the likelihood that you will live in poverty as an adult. Research shows that youth who are from lower-income and less stable homes are less likely to complete high school.⁵ Youth from lower income backgrounds are also less likely to pursue post-secondary education.⁶ We know that education is a key determinant of health, employability, and earnings over a person's lifetime.

The vulnerabilities associated with challenging life circumstances or changing variables do not, however, impact everyone in the same way. Discrimination, for instance, can aggravate the negative impact of such experiences. Whether purposeful or inadvertent, discrimination can become embedded in individual and community attitudes and behavior as well as legislation, policies, procedures, practices, organizational structures or workplace cultures. Operating at these different levels, discrimination contributes to unequal playing fields as it translates into barriers to opportunities and resources.

Youth who are visible minorities, for example, are more likely to confront challenges related to racism, discrimination and marginalization, compounding the likelihood that they will live in low-income households and struggle to access education and employment opportunities.⁷

Gaps in social policies are another key factor influencing who lives in poverty. While Canada has a relatively strong social safety net, there are some who fall through the gaps: new immigrants whose credentials are not recognized or minimum wage earners without adequate benefits to buy critical prescription medication are just two examples. Those who are left to struggle due to social policies that fail to take into account their diverse lived experiences and situations face a greater risk of poverty.

*Sharon, a bank teller and single mother of two young children, saved on childcare costs by working part-time. Due to the economic slowdown however, Sharon lost her job. Since she was only working part-time she does not qualify for Employment Insurance. With little financial support to help her through this difficult time, Sharon has been struggling to keep her and her children housed.*²

poverty affects...

Not everyone has access to the same opportunities and these unequal playing fields mean that some face greater risk of poverty and exclusion. This diagram identifies key factors that contribute to poverty, along with those who are most likely to be affected by them.

intergenerational poverty

social exclusion

physical health

mental health

family care-giving roles

Of the **17% of Canadians** who were **working part-time** in 2003, **69% were women.**⁹

An estimated **immigrants** arrive experience lo

cultural barriers

Racialized minorities rose from 30% of those living in poverty in 1996 to 40% in 2006.⁸

Between 20% and 40% of all homeless youth [in Canada] identify as lesbian, gay, bisexual or transgender (LGBT).¹⁰

single motherhood

In 2005, **Calgary's median income was \$30,550** per person; by comparison median income for: **recent immigrants was \$17,313, aboriginal people was \$23,923, visible minorities was \$21,836, and for persons with disabilities was \$23,449.**¹¹

Approximately **60% of homeless persons live with a mental illness.**¹²

labour market conditions

In 2009, **73,000 children in Alberta under the age of six were living in low income families; 34,000 of them below the age of 6.** This same number of children would fill the Saddledome four times over.¹³

divorce

community infrastructure

age

abuse and trauma

injury

access to social services

domestic violence

access to education

appropriate and affordable housing

education and skill level

language barriers

addiction

institutional policies and practices

Those with disabilities who do not qualify for Assured Income for the Severely Handicapped (AISH) earn among the lowest incomes in Alberta, at approximately \$11,700 per year or 48.3% below the Low-Income Cut Off (LICO).¹⁴

More than 94,000 Calgarians work for low wages. More than half are over the age 25.¹⁵

31.4% of new young adults in Calgary are living in low-income.¹¹

At \$810.70/mth, Canada Pension Plan's Disability Benefit relegates those with a long-term disability to poverty.¹⁶

migration social policies

1 in 3 children are affected by poverty in First Nations communities.¹⁷

Female seniors are at particular risk; in Alberta in 2008, the average total income of male seniors was \$39,600 compared to female seniors at \$26,700.¹⁸

family support and relationships

1/3 of single, widowed, or divorced women over the age of 65 are living in poverty.¹⁹

Lone-parent families were 4 times more likely to access the Food Bank than any other family type in 2010.³

access to services and amenities

services

foreign credential recognition

disability

parenthood

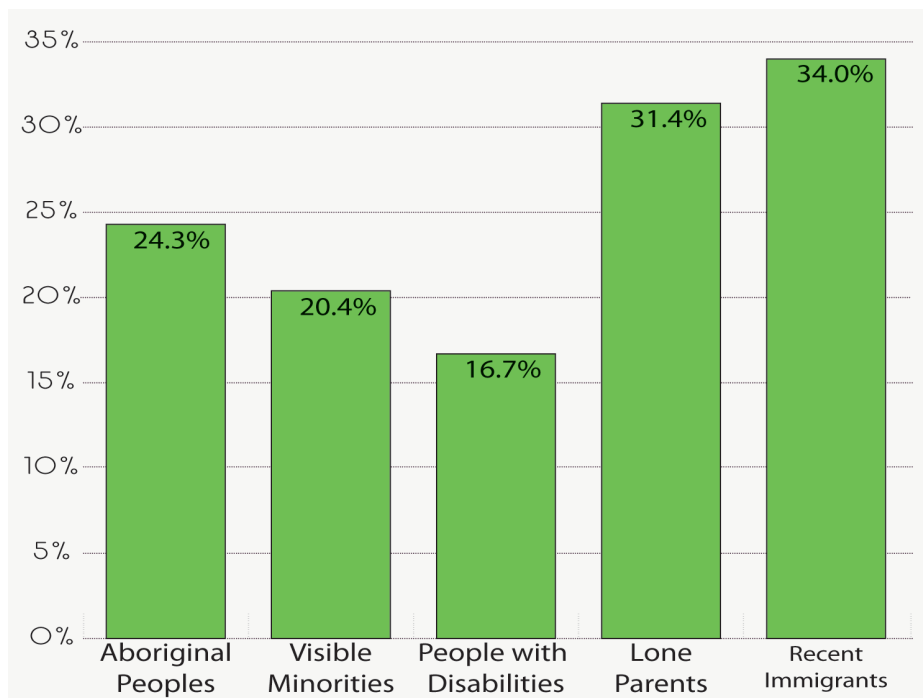
systemic discrimination



poverty affects... certain demographic groups more than others

Certain demographic groups are more likely to experience poverty, illustrating the impact of compounding factors. Their risk is rooted in distinct and diverse challenges, which include barriers to employment and education opportunities, unequal treatment within institutions, and inadequate social policies. Aboriginal peoples, visible minorities, people with disabilities, lone-parents and recent immigrants are examples of groups that have distressingly high poverty rates, as shown in the graph below.

LOW-INCOME RATES FOR SELECTED POPULATIONS IN CALGARY¹¹



Anil and Sunita immigrated to Calgary from Nepal a year ago with their two boys. Both Accountants, the husband and wife have been unable to find work in their profession. To survive, Anil works for minimum wage at a coffee chain and Sunita works part-time at a shop while taking courses to be re-trained in the health care field. They struggle to pay rent and afford other necessities. They also struggle to have enough time at home with their two children.²

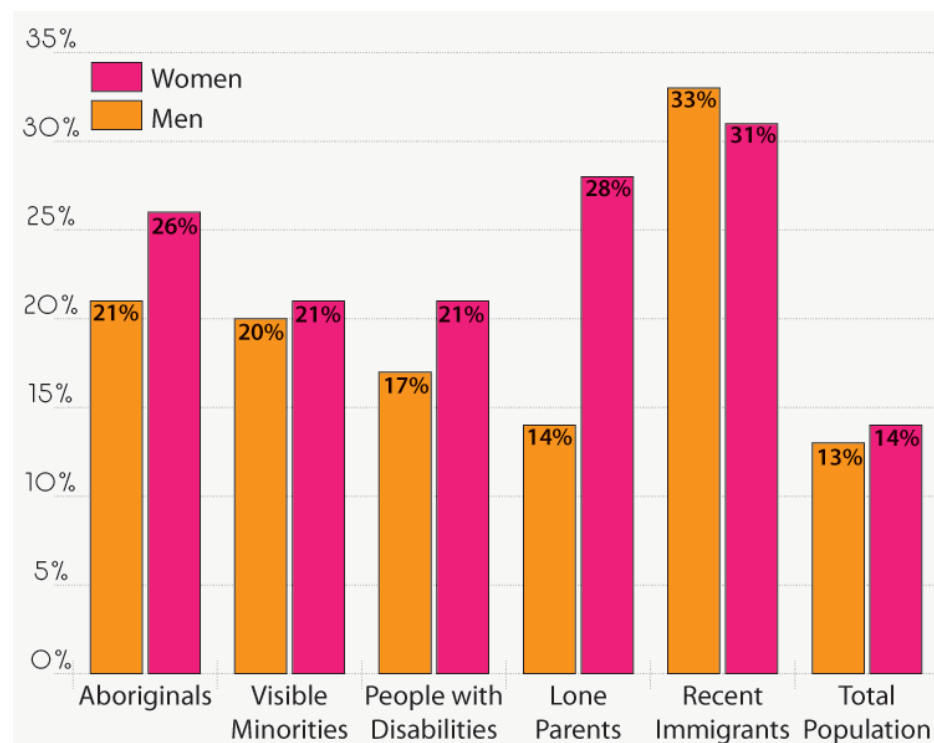
poverty affects... certain demographic groups more than others

Across demographic groups, there are higher rates of poverty among women than their male counterparts, as shown in the graph below.

The impact of compounding factors is critical to understanding that women are more likely to be affected by poverty. The labour market, for example, is one area where factors such as gender discrimination result in greater vulnerability to poverty for women. More women work in part-time and casual positions than men, usually for lower pay without benefits, little security, and consequently failing to meet eligibility criteria for various income supports and benefits. The effect of precarious employment for women has consequences as they age, since public and private pensions are primarily based on earnings.

Laila is a 37-year old Calgary mother with two young children.² Last year, she and her husband divorced. With this sudden change in her family's life, Laila needed to move out of their shared home and into a new apartment with her children. These changing circumstances substantially increased Laila's cost of living. While Laila worked full-time as a finance clerk, she received less pay than her male colleagues in similar positions across the sector and struggled to afford the cost of childcare. Making matters worse, her employer soon phased out her job in response to a year of poor sales. Out of work, Laila was unable to access support through Employment Insurance (EI) given that she had recently returned from maternity leave and did not have the required number of hours to qualify for EI. Laila and her children are now living in poverty, as are 28% of Calgary families headed by single mothers.¹¹

LOW-INCOME RATES IN CALGARY: MEN COMPARED TO WOMEN¹¹



poverty affects... all of us



Poverty's reach extends much further than the individuals and families who are experiencing it directly; it undermines the well-being of families, friends, colleagues, neighbours and the children in our communities. It also puts pressure on the health systems we pay into, contributes to the instability of our neighbourhoods, and weakens our economy.

The isolation, health issues, and related stress experienced by people living in poverty affects their ability to fully participate and engage in social, economic, and political life. This affects all of us by limiting the vibrancy of our city.

"When people are poor, out of work or homeless, it hurts the bottom line of all Canadians. And as the country struggles to maintain a shaky recovery amid growing global economic uncertainty, that's not a hit they can afford to take."

-Globe and Mail, May 6, 2011

Poverty affects many Calgarians directly, but all of us experience poverty indirectly in terms of lost potential, paying into the costs of temporary supports and remedies, and feeling the distress poverty causes families and communities.

Calgary is a dynamic city with a strong economy - we are well-positioned to reduce poverty in our communities. Given the negative impact it has on individuals, communities, and Calgary as a whole, we cannot afford to ignore it. Luckily, with concerted effort, poverty can be reduced. *How is Poverty Reduced?* in this series, addresses solutions to poverty in more detail.

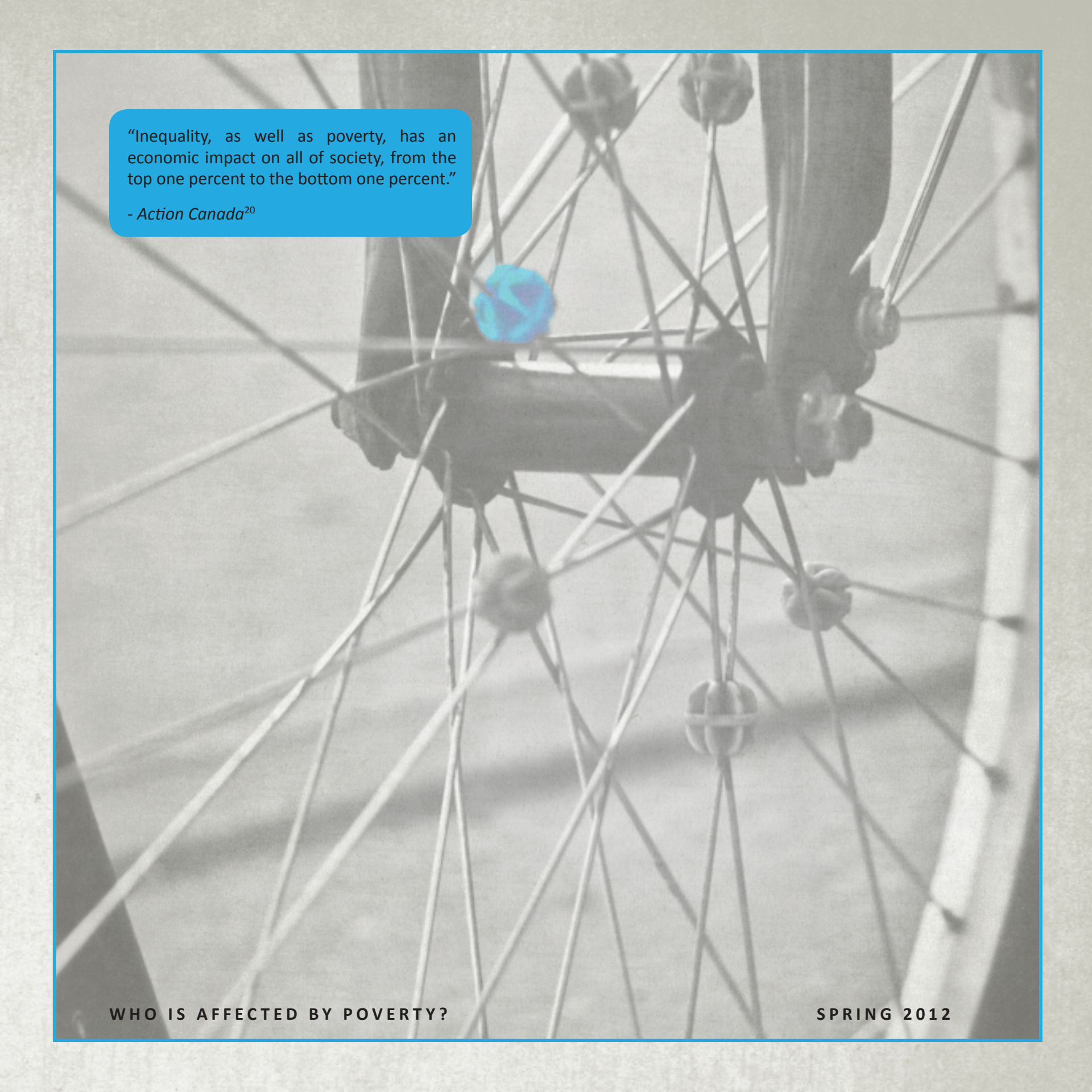
To find out more, read though *What is Poverty?* and *Why does Poverty Exist?*

resources for engaging on poverty issues:

THE CITY OF CALGARY
UNITED WAY OF CALGARY AND AREA
VIBRANT COMMUNITIES CALGARY
CALGARY POVERTY REDUCTION INITIATIVE
ACTION TO END POVERTY IN ALBERTA
POVERTYTALKS!
CANADA WITHOUT POVERTY
NATIONAL COUNCIL ON WELFARE
CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

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A black and white photograph of a bicycle wheel, showing the spokes and the hub. A small, vibrant blue rose is placed on one of the spokes. The background is a blurred outdoor setting.

“Inequality, as well as poverty, has an economic impact on all of society, from the top one percent to the bottom one percent.”

- *Action Canada*²⁰