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# Inequality in Calgary: *The Racialization of Poverty*

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# Inequality in Calgary: *The Racialization of Poverty*

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## Executive Summary

Despite the enormous opportunities and socio-economic prosperity Calgary enjoys, even during an economic downturn, we are seeing growing income disparities and entrenching of poverty in racialized<sup>1</sup> and Aboriginal populations.

Racialized Canadians face a myriad of barriers including glass ceilings, 'sticky floors', lack of representation in professional and leadership positions, and racism and discrimination. While most employers are aware that some population groups are under-employed, more than half continue to rely on word of mouth referrals to fill vacancies and few directly target traditionally underemployed groups. Across Canada, visible minorities are concentrated in low level sales and clerical jobs and are over-represented in underemployment figures, part-time and temporary jobs, and they earn less than other Canadians despite being more highly educated than average. A similar pattern is evident in Calgary.

For racialized immigrant populations, the picture is much the same with the added barriers of language, culture, and non-recognition of international experience and credentials. However, even when controlling for education, language and birthplace, a large portion of immigrant earnings inequality remains unexplained and more recent cohorts are experiencing substantially higher levels of earnings inequality. National unemployment rates for very recent and recent immigrants are much higher than for Canadian born although Immigrants from Europe have unemployment rates not much different from Canadian-born. Compared to other Canadians, recent immigrants are more vulnerable to poverty in both the short and the long term, and recent immigrants not currently living in poverty are more likely to fall into poverty in subsequent years than other Canadians. In Calgary, despite a robust local economy, immigrants and visible minority persons continue to face significant economic challenges.

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<sup>1</sup> Racialization is the social construction of race that creates a hierarchy based on superficial physical characteristics in population groups that, over time, becomes systematized and institutionalized creating social and economic inequities, power differentials, and discrimination against population groups viewed as undesirable due to perceived 'racial' origin. These groups are referred to as 'racialized' to convey this system of oppression.

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While employment rates for Aboriginal people have improved, the gap in employment rates between Aboriginal and non-Aboriginal people has not changed much in 20 years and the wage gap is growing, even for those with relatively high levels of education. In Calgary, there is an over-representation of Aboriginal people living in poverty: This despite high employment and low unemployment rates. Again, we see evidence of occupational segregation with Aboriginal people concentrated in low paying and precarious employment. Aboriginal persons are also disproportionately represented among the homeless population in Calgary.

Most immigrant and racialized youth in Calgary are doing very well, but some are at risk of long-term social and economic exclusion. Many racialized youth feel alienated from 'mainstream' society, and, as such, they are prevented from forming a positive self or group identity. Alienation, social exclusion, lack of economic opportunities and the resultant feelings of discontent, are all risk factors for violence.

The racialization of poverty in Calgary is evident in the growing gap between the median income of immigrant and non-immigrant families and in unemployment rates for recent immigrants nearly double that of non-immigrants. Racialized persons are a growing segment of the poor population. In 1996 they comprised 30% of the poor population. This rose to 40% by 2006. Between 1996-2006, the racialized population in Calgary increased by 84% and the racialized poor population increased by 19.4%. Nearly half of recent immigrants and over half of visible minority people in Calgary were concerned with racism and discrimination. They also expressed more concern with unemployment, debt, food and housing than other Calgarians.

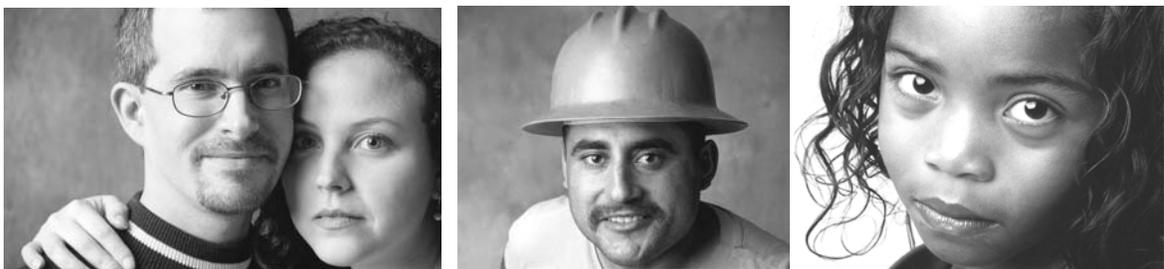
Calgary is seeing a growing geographic concentration of racialized poverty with more than 30 communities where 60-80% of the low income population is racialized, and 7 communities in which over 80% of its low income population is racialized.

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The growing racialization of poverty has received little public or policy attention reflecting a historical pattern of differential treatment, occupational segregation in the labour market, and discriminatory governmental and institutional policies and practices. Systemic discrimination embedded in our society and our institutions creates barriers of access, limited mobility and disproportionate concentrations of racialized labour in part-time and temporary employment, and overrepresentation in sub-standard and increasingly segregated housing. This creates a situation where poverty in our communities is becoming highly gendered and racialized. It is incumbent upon all levels of government to ensure that all children, but, in particular, Aboriginal, racialized immigrant and racialized Canadian-born children do not fall into the cycle of poverty currently experienced by their parents. In Calgary, we have an opportunity to truly be the Face of the New West by demonstrating leadership in addressing socio-economic security and equity for racialized and Aboriginal Calgarians before poverty becomes entrenched in these communities.



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### Introduction

This report explores ethno-racial inequality in Calgary. In 2000, Michael Ornstein found very large differences in levels of education, jobs, income, and poverty levels among racialized groups in Toronto, with the most severe disadvantage affecting members of the Black community (Ornstein, 2000). David Hulchanski of the University of Toronto, also has shown an increasing segregation in Toronto's neighbourhoods on the basis of socio-economic status, skin colour and housing tenure (Hulchanski, 2007). He pointed out that in areas of the city where average household income has fallen by 20 per cent or more in each census for the last 30 years, 43 per cent of residents are Black, Chinese or South Asian, while these groups make up only 10 per cent of neighbourhoods where income is increasing by 20 per cent or more.

We wanted to explore these patterns in the context of a Western Canadian city. A recent report by the Canada West Foundation on immigration showed much different outcome patterns for immigrants who settle in the West than those who settle in the East (Azmiar, 2005). The report notes that while there are proportionately fewer immigrants coming to the West, those who do settle in the region may fare better

*It may be the woman who works in the concession or variety store, the cabbie who gets you to and from, or someone who cleans your office at night. In addition to being subjected to racism, ignorance and exploitation, these people deal with massive emotional, psychological, socio-economic, cultural and social challenges every hour of their day. There is a high probability that this person has advanced degrees, experiences and skills that put your own credentials and experience to shame. Some may have experienced political or social adversity in their home countries the likes of which we can't even imagine and have used their ingenuity, determination and courage to undertake the enormous challenge of making a new life in a new country. Is this not the stuff of which great employees and citizens are made? Are these not people with the very spirit on which this country was built and that we need to continue to build our economic and national future? If so, then why do we put so many individual and systemic barriers in the way to their full participation in meaningful employment, and education, social, and political opportunities?*

*(Unknown author)*

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economically than do immigrants in other parts of Canada. As such, it may be that there are different patterns of advantage and disadvantage for groups in Calgary as compared to Toronto.

This study used census data from the 1996, 2001 and 2006 census years to see if there has been a change in economic well-being for racialized groups, especially in the last five years given the labour market shortage, rising homelessness, the housing crisis, and the economic boom experienced in Calgary. The focus is on racialized immigrants and Canadians. Since the most recent data is the 2006 census data, this research is unable to explore the effect of the current economic downturn which began in late 2008 on racialized Calgarians.

This paper provides an overview of the changing social and demographic patterns in Calgary, a look at the economic challenges faced by racialized Canadians, racialized immigrants, Aboriginal peoples, racialized youth, and changing trends in poverty in Calgary from 1996-2006. Policy considerations are provided that speak to the cost of the increasing racialization of poverty in Calgary and Canada.

### **The 'New' West (Cook, 2009) <sup>2</sup>**

The West is changing. Over the past thirty years, population growth in the four western provinces has greatly exceeded that of Canada, with Canada's four western provinces now home to close to one third of Canada's population; and over three quarters of that population is urban. Despite the recent economic downturn, our economy continues to attract people from across Canada and around the world to vibrant and growing western cities.

As the West grows, its face is changing. The West has always been a multi-cultural milieu, built on the strength of immigrants from diverse places such as the Ukraine, Scandinavia, China and others. Recent changes in immigration have added to this rich cultural heritage by

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<sup>2</sup> This section is taken from the paper Cook, D. (2009) *The Face of the New West: The Emerging Identity Crisis in Stampede City*. *Our Diverse Cities*, 6, pp. 71-75.

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welcoming new citizens from new areas. As cultural communities continue to establish themselves and develop in cities such as Calgary, the face of the region grows more and more diverse.

Calgary proudly proclaims itself to be the “Heart of the New West”. More and more, however, it is also the “Face of the New West”. Over the past two decades, immigration to Calgary has steadily increased while the source countries of immigration have shifted. Similar to the rest of the country, immigration to Calgary from western regions has declined as immigration from non-western regions such as Asia has grown. This has contributed to increasing cultural diversity in Calgary as approximately half of new immigrants to Calgary are of visible minority (racialized) identity. By 2001, Calgary had become the fourth most ethnically diverse urban area in Canada. According to the 2006 Census, approximately one-in-four residents of Calgary are now visible minorities, with roughly the same percentage being immigrants.

Growing cultural diversity brings to cities like Calgary tremendous opportunities to build on the rich traditions, skills and resources of our many cultural communities. As Calgary becomes more and more a global centre of influence, capitalizing on this cultural heritage is even more important. At the same time, there are very real challenges to realizing this potential, especially in the area of socio-economic security and equity.

### **Economic Overview - Racialized Canadians**

Visible minority<sup>3</sup> individuals will represent up to 20% of the Canadian population and 18.4% of the labour force by 2016 (MacBride-King & Benimadhu, 2004). And yet systemic barriers prevent organizations from fully benefiting from this diversity. The Conference Board of Canada surveyed 300 organizations about the diversity of their top teams and boards of directors (MacBride-King & Benimadhu, 2004). Almost 70 organizations employing about 620,000 Canadians responded to the survey with the following results:

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<sup>3</sup> While the authors prefer the term racialized to highlight the social construction of racism and disadvantage embedded in daily interactions, values, policy and social relations, visible minority will be used interchangeably as this is the language employed by Statistics Canada and many of the research papers cited. While the visible minority category also includes immigrants, the attempt in this section is to focus on Canadian born people.

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- Only 3 percent of responding organizations have a chief executive officer who is a visible minority.
- Just 3 percent of the almost 900 senior executives in the surveyed firms were visible minorities.
- 58% felt it was important to recruit visible minorities but 68% were not actively doing so and 90% did not have a plan for the recruitment and selection of visible minorities.

In 2003, visible minority individuals made up only 1.7% of directors on boards of organizations and only 3% of executive positions. This is often due to the tendency to promote from within ignoring the glass ceiling many racialized employees experience, and the focus on organizational 'fit', which is often a hidden code for 'like me' (Immen, 2004).

A similar pattern was found recently in Calgary in a survey of over 200 employers (Alberta Employment & Immigration, 2008). While 96% of the companies surveyed were aware that some populations, including Aboriginal peoples and immigrants, are under-employed, 60% relied on word of mouth referrals to fill vacancies and only 3% had plans to directly target traditionally underemployed groups (immigrants and youth) in the next 12 months.

*John, a Black, Canadian born man living in Toronto, had been working as a database administrator at a medium-sized company for three years when a managerial position became vacant. Possessing previous management experience and a solid knowledge of the company's information technology structures, he felt that he was in a great position to be promoted. He was competing with only one other candidate, a white man. When the director told John that the position had been given to the other candidate, John asked why. He was told that even though his qualifications met the requirements of the job, he did not 'fit' with the management culture of the organization (Conference Board of Canada, 2004, p. 1). Sadly, this scenario, virtually unchanged, was experienced by another Black male at a major employer in Calgary (personal communication, 2008).*

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*Excerpts from President & CEO of RBC Financial Group, Gordon Nixon's speech to The Immigrant Access Fund Celebration Dinner - 2006:*

*'we can no longer view immigration as a temporary employment agency. We need to start looking at immigration as a blueprint for nation-building...we can't just throw up our hands and hope the problems [poverty, exclusion] will go away. We need smart social planning to make sure that immigrants are properly welcomed, housed and educated, and they are integrated quickly into our workplaces, marketplaces and economy, so that they contribute to economic growth and enhance overall prosperity.'*

*'if all foreign-born Canadians were fully employed, at their level of education and experience, earning equal pay to someone born in Canada, personal income would increase by \$13 billion/year.'*

*'RBC has about 11 million clients in Canada. About 15% are new Canadians and visible minorities- we expect much of our future growth to come from these markets...'* (Nixon, 2006).

Across Canada, visible minorities are concentrated in low level sales and clerical jobs and are over-represented in underemployment figures, part-time and temporary jobs, and they earn less than other Canadians despite being more highly educated than average (Cheung, 2005). Later in this report, a similar pattern is outlined in Calgary. Given that it is the non-immigrant, racialized population, who are more highly educated than average, and yet still have the most difficulty finding steady employment at decent wages, Cheung suggests that their income and occupational disparity reflect racial status more than factors more commonly used to explain wage and employment differentials in immigrant populations, such as Canadian work experience, language ability or international credentials. Galabuzi (2001) notes that:

*Racialization diminishes the value of Canadian citizenship for racialized groups. While over a third ...are Canadian born, assumptions of non-Canadian origins are common in public discourse, workplaces, and even employment interviews. Many racialized Canadians are left with a feeling of not belonging, and some choose to avoid civic of public service for fear of questions about their Canadian-ness (p. 8).*

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In a study of over 17,000 seasoned visible minority professionals, it was found that these professionals were less satisfied with their careers and more likely to perceive workplace barriers to advancement than were their white/Caucasian colleagues (Catalyst, 2007). Visible minority employees, who reported that their senior management was committed to the development and promotion of all employees, rated their career satisfaction 23% higher than those who did not feel this support and commitment to fairness and inclusion. However, racialized Canadians are clearly aware of the barriers that exist for them and this can lead to resentment.

By 2015 or sooner, 1 in 5 workers will belong to a visible minority group (Antunes, MacBride-King & Swettenham, 2004). And, despite making up less than 11% of the workforce between 1992-2001, visible minorities contributed a disproportionately higher amount of goods and services to this country and yet, earned 14.5% (2000) less regardless of what explanatory factors were considered. The gap is persistent and deepening. And while visible minorities may be well-represented in the workforce, as noted earlier, they are largely absent from senior executive and board positions (Baklid, 2004). A wage gap of 8 points seems to be persistent over time and while some of the gap can be explained by education or labour market participation (such as hours of work), most remains unexplained (Cardozo & Pendakur, 2008).

One of the main barriers for visible minority persons either being promoted or hired in their fields is the question of 'fit' with the position or organization (Baklid, 2004). Is 'fit' a bona fide occupational requirement or a thinly disguised form of systemic discrimination? Is it suitability based on similarity to the hiring group? These questions are hard to parse as Chinese-origin Canadian women have been shown to earn more than European-origin White Canadian women with similar characteristics, while Chinese-origin men earn about the same ((Cardozo & Pendakur, 2008). But Canadian born Caribbean/Black and South Asian men earn 16% less and Caribbean/Black and South Asian women 12% and 6% less respectively than their Canadian counterparts.

Galabuzi (2001) has argued that a racialized labour market is an endemic feature of the Canadian economy (p. 6) and that the racialized employment income gap is observable in

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both high and low income earners only diminishing to single digits when racialized workers are unionized. She notes that these patterns are even more pronounced for racialized women. Cheung (2005) similarly found that while a smaller proportion of racialized workers are unionized, when they are, their hourly wage increases by 16.5% (women 24.5%; men 10.7%) but they still earned less than other workers who benefited by 27.6%. So, clearly union representation helps but does not level the playing field.

The precarious employment labour market, defined as work that is unstable; insecure; low paid; and poorly protected by labour legislation, collective bargaining and social policies, is gendered and racialized (Cranford, Vosko & Zukewich (2003). White men are the least likely to be employed in precarious work (7%) and racialized women (27%), the most likely. Precarious employment also varies by visible minority group with Black and South Asian employees most likely to be precariously employed, and Chinese and Filipino employees more likely than white employees to have full-time permanent work.

### Economic Overview - Racialized Immigrants

Similar to the findings for racialized Canadians, racialized immigrants in Canada also face significant economic barriers. MacBride-King & Benimadhu (2004) found that:

- Black, Latin American and Filipino employees were least likely to be represented in management or scientific positions.
- While over 60% of immigrants from the U.S., Australia and New Zealand were employed in the same occupational groupings they were in before coming to Canada, only 1/3 of those born in Asia, the Middle East, Central and South America were so employed.<sup>4</sup>

In 2001, six in 10 newcomers worked in a different occupational field than they had before coming to Canada (Statistics Canada, 2003a). While more recent data is not available,

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<sup>4</sup> The assumption in these data and much of the extant literature is that immigrants from the U.S., Australia and New Zealand (as well as European nations) are White while those from the other countries are not. As these immigrant-receiving countries also become more pluralistic, researchers need more clear data on what the ethno-cultural profile of immigrants from these areas truly is.

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currently newcomers in Canada tend to be concentrated in service, sales, processing and manufacturing occupations which are often low-skilled and low paid. As 84% of visible minorities in Canada are immigrants, it begs the question as to the reasons for this disparity. Is it systemic discrimination based on colour or ethnicity, is it immigration status, is it both, or is it something else entirely?

*He came to Canada to provide his daughters with opportunities he didn't think they'd get in Asia. He had years of experience with a global food giant, and with Dupont, an international company, was fluent in English and had travelled extensively. "But none of that mattered when I set foot on Canadian soil" he says. He networked, interviewed, did cold calls and job searches, but was continually told he 'didn't fit our needs' by employers. After 2 years of underemployment he finally found an internship opportunity that has put him on track to realize a job commensurate with his skills and experience*  
(Goar, 2005).

Even when controlling for education, language and birthplace, a large portion of immigrant earnings inequality remains unexplained (Ostrovsky, 2008). And, in Canada and in Calgary, more recent cohorts are experiencing substantially higher levels of earnings inequality. The Labour Force Survey (2006) showed national unemployment rates for very recent immigrants (11.5%) and recent immigrants (7.3%) were much higher than for Canadian born (4.9%) regardless of education level (Statistics Canada, 2007). Immigrants from Europe had unemployment rates not much different from Canadian-born, while very recent immigrants from Africa fared the worst, with 4 times the unemployment rate of Canadian-born. Even immigrants who have lived in Canada for 11-15 years are having more difficulty finding jobs reflecting their educational attainment in 2006 than they did in 2001 (Statistics Canada, 2008a). Another concern is that many immigrants, especially educated racialized immigrant and Canadian born women, work in the not-for profit sector where wages are low and job security and advancement opportunities are minimal. This means that these women face the triple discrimination effect of gender, race and poverty (see Ryan, 2004).

The picture in the Calgary labour market has been historically better for newcomers than in other major cities (Statistics Canada, 2003a). Of immigrants aged 25-44 years who had arrived in Calgary between 2002-2003, 88% had worked since their arrival, 75% finding a job within the first 6 months, and 44% found work in their intended occupation. Eight in 10 felt their experience in Calgary after two years either met or exceeded their expectations.

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Despite this rosy picture, according to the Chairman of the Alberta International Medical Graduates Association, the Association has over 350 graduates doing nothing related to their medical training and the roughly one-quarter of these graduates who have passed their Canadian exams are competing for a handful of residency places. Doctors from places like Serbia, Africa, and China are not eligible to work in restricted practice while they study for exams, but doctors from Britain, South Africa, Australia and New Zealand are (Gauntlett, 2005).

*I had the feeling that I was good enough for immigration, but not good enough for Canadian employers... If Canada needs cab drivers, then Canada should get cabdrivers, not professionals [focus group participant, (MacBride-King & Benimadhu, 2004, p.6).*

*..immigration status has become a proxy for racial discrimination as employers insist on Canadian qualifications despite operating in an increasingly globalized economy. While European immigrants' qualifications routinely go unchallenged, racialized Canadians often lose opportunities because of the perceived value of their qualifications.... (Galabuzi, 2001, p. 7).*

The Longitudinal Survey of Immigrants in Canada (LSIC, 2001-2005) noted that recent immigrants aged 25-55 years cited several reasons for their difficulty finding employment. These included:

- Not enough Canadian job experience
- Language problems
- Lack of employment opportunities
- International credentials not accepted

Labour shortages are creating a strong driver for organizations to become better equipped to attract, retain and promote highly skilled workers from non-traditional labour populations including Aboriginal, immigrant and visible minority group members. This requires ensuring welcoming communities as well as welcoming workplaces free of discrimination, individual or

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systemic. And yet, in 2000 40% of employers surveyed admitted to screening out applications of individuals with international credentials (Immen, 2004).

These barriers are exacerbated during recessions because the proportion of degree holding immigrants who end up unemployed increases and that this may not be temporary (Statistics Canada, 2008a). For example, in 1991, 12% of established male immigrants in Canada (those living in Canada 11-15 years) with a university degree were underemployed. That number rose to 21% in 2006. The trend was similar for female immigrants but less pronounced with only a 5% difference from 1991-2006 (24%-29%). Underemployed Canadian born men and women remained stable at 10% in this time-frame. And, the longer an immigrant is out of a job that matches his or her skills and experience, the more difficult it becomes to move into appropriate employment as skills deteriorate over time when not used.

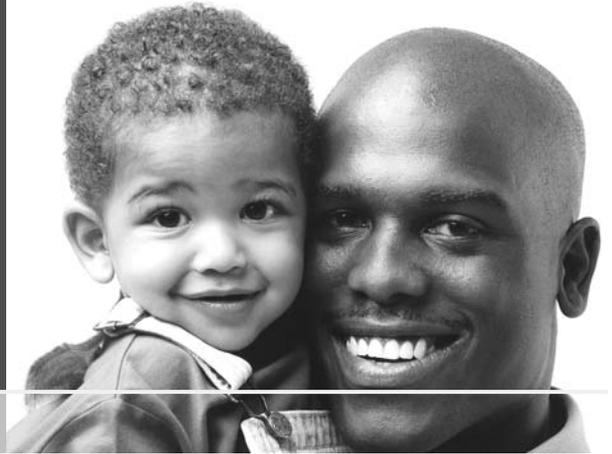
Compared to other Canadians, recent immigrants are two times more vulnerable to poverty in both short and the long term, and recent immigrants not living in poverty are 2-3 times more likely to fall into poverty in subsequent years than other Canadians (Fleury, 2007).

Low income rates from 1980-2000 showed a growing divergence between the incomes of immigrants and those of others and this rate has increased for all levels of education and across source countries with the largest increases experienced by those from Africa and East Africa (CIC, 2004). In Calgary, the low income rates for immigrants rose from 18.2% in 1980 to 33.8% in 1990, and then fell slightly to 28.9 % in 2000 while low income rates for all others were 16.6%, 19.8% and 17.3% over the same years (Heisz & McLeod, 2004).

There has also been a consistent finding over the past several years of a notable deterioration in relative earnings of immigrant males, with a decline in each subsequent cohort after the 1960s to the point where recent immigrant males are earning half as much as Canadian born males in their age cohort (Corak, 2008). In fact, Hou and Picot (2003) pointed out that ALL of the increase in low-income rates in Montreal, Toronto and Vancouver are a result of the increase in low-income rates among immigrants. In his study of education and earnings mobility in second-generation Canadians, Corak found that intergenerational transmission of disadvantage is quite rare, but in some immigrant communities, especially Caribbean, West African and some Latin American populations, low earnings are transmitted across generations

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despite above-average levels of education among both parents and children. This finding is confirmed by 2006 Statistics Canada census data which shows that in Black and Latin American communities, even third generation Canadians earn less than new immigrants from other backgrounds. The census also suggests that Black individuals experience more discrimination in the labour market despite good educations (Jimenez, 2008).

The real cost of these gaps is to the individuals, their families, and Canada. There have been several estimations of the cost of non-recognition of international credentials or work experience to the Canadian economy. Bloom & Grant (2001) estimate the cost at \$2-3 billion/year. Nixon (2006) argues the cost associated with underutilization of internationally educated professionals is 400,000 workers and \$13 billion in added income, while Jeffrey Reitz of the University of Toronto found that the underutilization of immigrant skills represents an earnings deficit of \$15 billion in 1996 dollars (2001). Of course, the social costs are immeasurable.

*Temporary Foreign Workers:* This report does not detail the growing concerns with Alberta's temporary foreign worker programme (TFWP) which is creating a permanent under-class of low-skilled, exploited and abused labour and a growing segregation of the labour market (Byl, 2009). The government appointed Advocate contends that there has been no political will at the federal or provincial level of government to address the structural and systemic problems inherent in the TFWP (Byl, 2009), nor is there an attempt to collect the data needed to understand the impact on this population of poor wages, poor working and living conditions, and racism. The Alberta Advocate has called for an immediate end to this programme in its current form to prevent an entrenched underclass (Byl, 2009)<sup>5</sup>.

### Economic Overview - Aboriginal People

In 2006, 26,570 people living in the Calgary area identified themselves as Aboriginal — a 21.2% increase in the region's Aboriginal population since the last census (Canadian Press, 2008). While employment rates for Aboriginal people have improved, the gap in employment

<sup>5</sup> For the full report see <http://www.afl.org/upload/TFWReport2009.pdf>.

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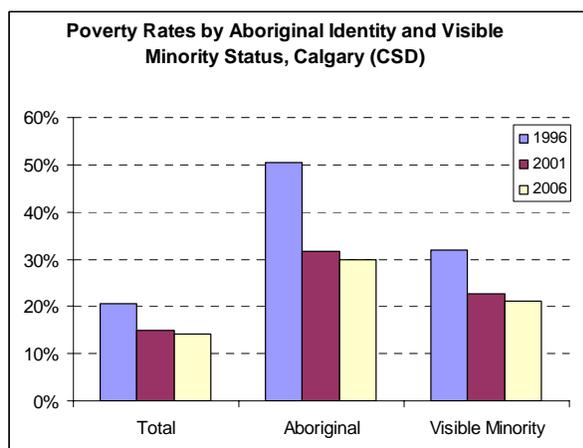
rates between Aboriginal and non-Aboriginal people has not changed much in 20 years and the wage gap is growing. In 2006, median employment income for Aboriginal people was \$25,087 compared to the Calgary median of \$31,327 (Statistics Canada, 2009a).

Pendakur and Pendakur (2008) found that 'Aboriginality' is associated with very poor labour market outcomes and income disparities that are not substantially mitigated by public transfers. Education returns for Aboriginal people are low where even those with relatively high levels of education face great income disparities. Earning differentials between Aboriginal and non-Aboriginal people in Calgary in 2001 were 72%, 21% for women and 52% for men (Pendakur and Pendakur, 2008).

*Improving the quality of life of urban Aboriginal people depends squarely on efforts made to combat poverty and social exclusion*

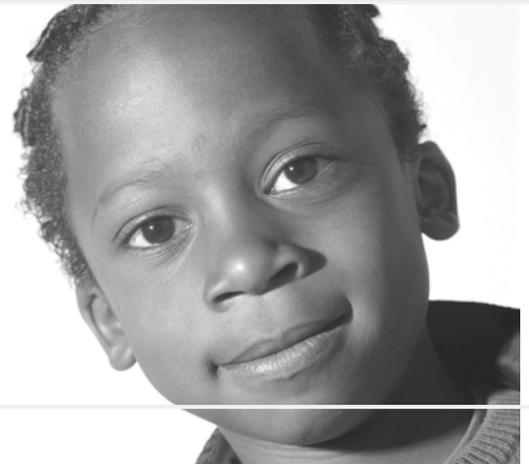
*(RCAAQ, 2008).*

In Calgary, in 1996 Aboriginal people made up 50.6% of the low income population. This has decreased significantly over the years, to 31.8% in 2001 and 30% in 2006. However, at 4-6% of the total Calgary population, these numbers highlight the over-representation of Aboriginal people living in poverty. This despite a 2006 labour force participation rate of 77%, employment rate of 71% and a 7% unemployment rate (compared to a 4.1% unemployment rate for the total population (Statistics Canada, 2006a).



At the national level, in 2005, among off-reserve Aboriginal people and recent immigrants (arrived in Canada after 1994), almost one in every five individuals experienced low income (HRSDC, 2009). In Calgary, Aboriginal people make up only 6.8% of the Management occupational category, 5.6% of Natural and Applied Sciences, 4.3% of Health occupations, and 6.8% of Professional occupations like educators, lawyers, psychologists, etc. However, they make up 11.1% of Clerical occupations, 27.3% of Sales and Service, and 23.6% of Trades.

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This concentration in low paying and precarious employment industries provides a partial explanation of how high labour force activity translates into low-income concentrations. In 2008, Aboriginal persons were also disproportionately represented among the homeless population in Calgary compared to Calgary's population overall. Of the 3,491 homeless persons enumerated by facilities and service agencies, 62 percent were Caucasian, 15 percent were Aboriginal, and 11 percent were members of a visible minority group (the remaining 12 percent could not be assessed by population group (Stroick, Hubac & Salomons, 2008).

### **Economic Overview: Racialized Youth**

The largest percentage of racialized youth in Canada are immigrant youth who arrived as young children, or visible minority youth, 42%% of whom were born in Canada (Statistics Canada, 2006b). In Calgary, 37.6% of the visible minority population is youth aged less than 25 years. For racialized Canadian-born youth and those that arrived while small children, it would be expected that barriers normally raised to racialized immigrant adults, like international credentials and lack of Canadian work experience, would not apply. As such, they should be expected to do well in the job market. However, the chart below shows that these youth, especially Black Canadian youth, have higher unemployment and lower employment rates than do non-racialized youth (from Cheung, 2005).

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### Visible Minority Youth in the Canadian Labour Market, 2001

Age 15-24	Employment Rate	Unemployment Rate
All persons non-visible minorities/non-immigrants	58.4%	13.3%
Immigrant youth	55.0%	14.8%
Visible minority youth	43.7%	16.1%
Visible minority youth born in Canada	48.4%	15.5%
Black youth born in Canada	33.2%	21.4%

Age 20-24	Employment Rate	Unemployment Rate
All persons non-visible minorities/non-immigrants	72.9%	12.5%
Visible minority youth	67.3%	15.4%
Visible minority youth born in Canada	64.7%	14.6%
Black youth born in Canada	64.8%	16.5%

\*Source: Census of Canada. Catalogue 97F0012XCB2001/02

The 2006 Canadian Labour Market study showed similar inequities with Canadian-born youth (15 - 24 years-old) having an unemployment rate of 11.2%, while very recent immigrant youth had an unemployment rate of 17.2% (Statistics Canada, 2007). Among the latter, those born in Africa were at 26.8%, those from Latin-America and the Caribbean were at 21.7% and those from Asia at 14%.

Racialized children and youth are more likely to live in low income households with 49% of recent immigrant children and 34% of racialized children living in families with incomes below the low-income-cut-off (LICO) (Campaign 2000, 2007). In addition, using 2001 data, 44% of Black children vs. 19% of non-Black children lived in low income households (Milan & Tran, 2004). In 2008, Campaign 2000 found that children in racialized, new Canadian and Aboriginal families, as well as children with disabilities, are at greater risk of living in poverty.

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In the U.S., costs associated with childhood poverty total about \$500B per year or the equivalent of nearly 4 percent of GDP (Holzer, Schanzenbach, Duncan, Ludwig, 2007). More specifically, it was estimated that childhood poverty each year:

- Reduces productivity and economic output by about 1.3 percent of GDP
- Raises the costs of crime by 1.3 percent of GDP
- Raises health expenditures and reduces the value of health by 1.2 percent of GDP.

In addition to these costs, Cooper (2008) asserts that while most immigrant and racialized youth are doing very well, some are at risk of long-term social and economic exclusion. Many racialized youth feel alienated from 'mainstream' society, and, as such, they are prevented from forming a positive self or group identity. Because of their sense of racial exclusion, they may be slower to integrate and may disengage from aspects of Canadian life (Cooper, 2008).

*These youth are not receiving the supports and benefits required by all young people to achieve their full developmental potential. Instead, racism, workforce barriers, education challenges, and social and cultural isolation appear to be sowing seeds of discontent, feelings of marginalization, low sense of belonging, and insecure ethnic identity...(p. 22).*

Alienation, social exclusion, lack of opportunities and the resultant feelings of discontent are all risk factors for violence as we have seen recently among racialized youth in Europe. A recent study from Ontario exploring the roots of youth violence has listed single-parent families, low-income families, lack of economic opportunity, and immigrant and refugee families<sup>6</sup> all as risk factors for youth violence (McMurtry & Curling, 2008). These factors are also associated with poverty. Walcott et al. (2008) argue that one "cannot make sense of violence and crime without addressing racial oppression and the way such oppression produces poverty" (p. 319). And, an RCMP report in Alberta also notes income disparities contribute to feelings of 'shame, embarrassment, self-loathing, and a lack of self-respect (RCMP, 2006, p. 16). These feelings can then trigger violence and, where young people have no other avenue of

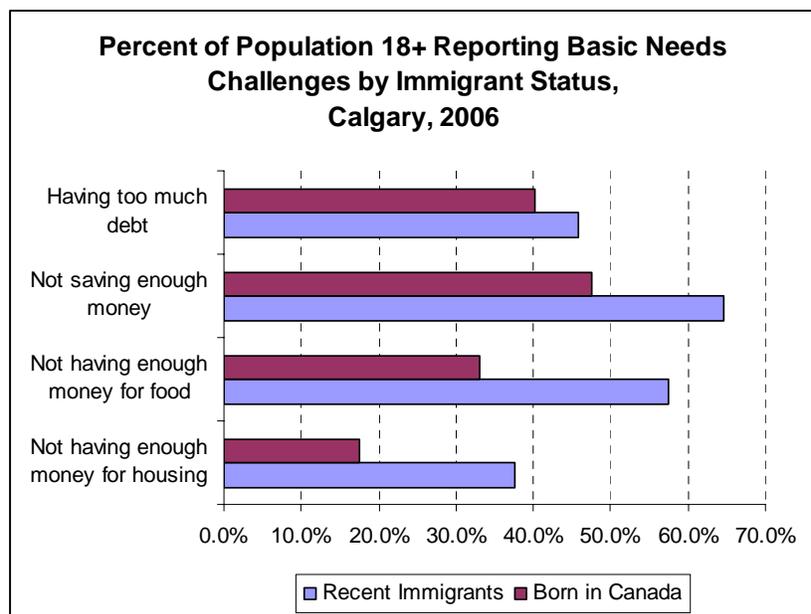
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<sup>6</sup> Those experiencing social exclusion, discrimination and/or economic inequities.

achieving self-worth, joining a gang may be an attractive option. The report states that 'poverty remains one of the single most important factors that provide a breeding ground for gang subcultures' (p. 16).

### Racialization of Poverty in Calgary: 1996 - 2006

Between 2000-2005, the median income of non-immigrant families in Calgary increased by 9.4%, while that of immigrant families only increased by 4.2%, with immigrants earning 81.8% of the median family income of non-immigrants in 2005 (Statistics Canada, 2006c). The median income of recent immigrants was even lower, at only 63.2% of the median family income of non-immigrants in 2005. Labour market outcomes are similarly weaker for recent immigrants. In 2006, the



unemployment rate for recent immigrants was 7.0%, almost double the Calgary rate of 4.1%. The participation and employment rates were also roughly five percentage points lower (Statistics Canada, 2008c). The Cost of Living in Calgary is an average \$1865.30 per month (Vibrant Communities, 2008). This cost factors in housing (2 bedroom apartment), food (for a family of 3, 2 school-aged children), utilities (gas, phone, power, water, sewage, garbage collection, drainage services), and transportation (1 low income transit pass) and would require an income of at least \$22,383.00/yr. However, the median employment of recent immigrants in Calgary is \$17,279.00 (Statistics Canada, 2009b).

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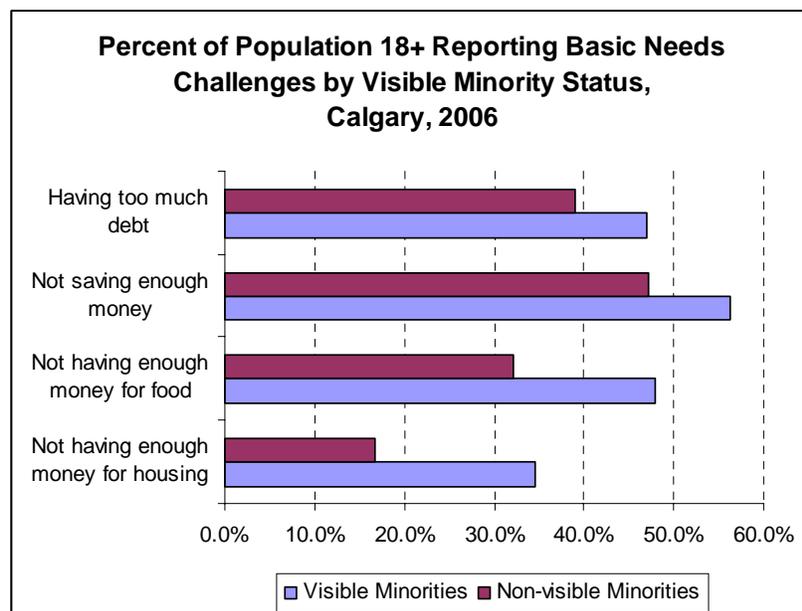
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The City of Calgary (2008) found that despite a robust local economy, immigrants and visible minority persons continue to face significant economic challenges. When asked about their well-being across a number of factors, newcomers to Calgary and racialized Calgarians agreed that they “belong” in Calgary, but when asked specifically about their concern with not fitting in or belonging, 37.6% of recent immigrants and 34.6% of visible minorities were concerned, compared to only 20% of the total population. In addition, when asked specifically about concerns with racism and discrimination, half of recent immigrants (49.7%) and visible minorities (51%) were concerned, compared to only one-quarter (25.7%) of the total population. In another report, recent immigrants were 20% more likely than other Calgarians to note financial and employment issues at the top of their concerns. Twice as many recent immigrants (57%, n=180) were concerned with unemployment and these individuals tended to be highly educated but earning low incomes (Arienzo, Muller and Este, 2008).

Recent immigrants and visible minority individuals were also more concerned with having too much debt, not saving enough money, and not having enough money for food and housing.

These concerns were validated by an analysis of the 2006 Census data for Calgary which showed that:

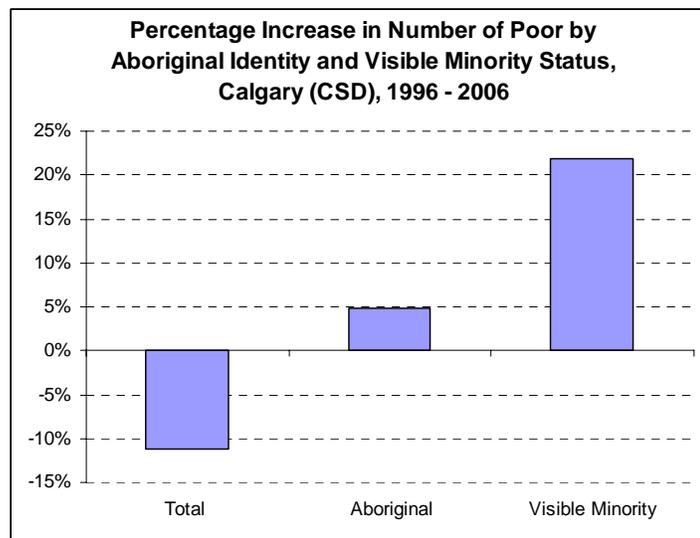
- Between 1996 and 2006, the total number of persons in low-income households (poor) in Calgary fell by 11.3%, leading to a drop in the poverty rate of 6.4 percentage points.



## Inequality in Calgary: *The Racialization of Poverty*

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- Consistent with the total population, poverty rates fell over the period for visible minority and Aboriginal persons, with Aboriginal persons reporting the greatest drop in the poverty rate. The most significant reduction in poverty rates over the period occurred between 1996 and 2001.
- Although poverty rates dropped for all groups over the period, the number of low-income Aboriginal and Visible Minority persons increased. The increase in the number of low-income persons occurred between 2001 and 2006, following declines over the previous 5 years (1996-01).
- Calgary's poor population shows an increasing tendency to be comprised of racialized persons. The percent of the poor who are of racialized identity increased by ten percentage points over the period from 30% in 1996 to 40% in 2006.
- From 1996 to 2006, the racialized population in Calgary increased by 84% (139,440 to 256,550), while the racialized poor population increased by 16.2% from 46,965 to 56,070.



## Inequality in Calgary: *The Racialization of Poverty*

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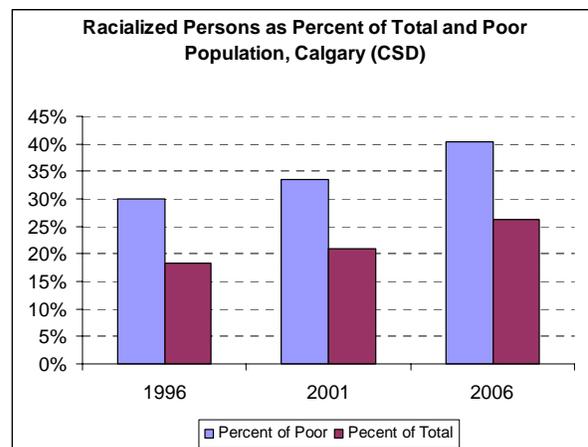
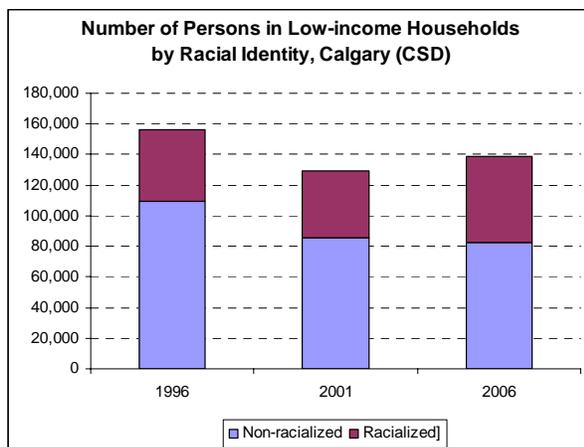
Some of this information is captured in the charts and tables below.

Prevalence of Low-income for Selected Populations, Calgary (CSD)				
		Total Population	Aboriginal Identity Population	Visible Minority Population
<b>1996</b>	Total	760,230	13,795	125,645
	Poor	156,375	6,975	39,990
	% Poor	20.6%	50.6%	31.8%
<b>2001</b>	Total	868,810	19,395	162,525
	Poor	129,105	6,160	37,005
	% Poor	14.9%	31.8%	22.8%
<b>2006</b>	Total	977,075	24,380	232,170
	Poor	138,745	7,314	48,756
	% Poor	14.2%	30.0%	21.0%

Racialized Persons as a Share of Total Low-income Population, Calgary (CSD)						
	1996	2001	2006	Percent Change 96-01	Percent Change 01-06	Percent Change 96-06
Total Poor	156,375	129,105	138,745	-17.4%	7.5%	-11.3%
Aboriginal Identity	6,975	6,160	7,314	-11.7%	18.7%	4.9%
Visible Minority	39,990	37,005	48,756	-7.5%	31.8%	21.9%
Total Racialized	46,965	43,165	56,070	-8.1%	29.9%	19.4%
Percent Racialized - Poor	30.0%	33.4%	40.4%	3.4%	7.0%	10.4%
Percent Racialized - Total Population	18.3%	20.9%	26.3%	2.6%	5.3%	7.9%

## Inequality in Calgary: *The Racialization of Poverty*

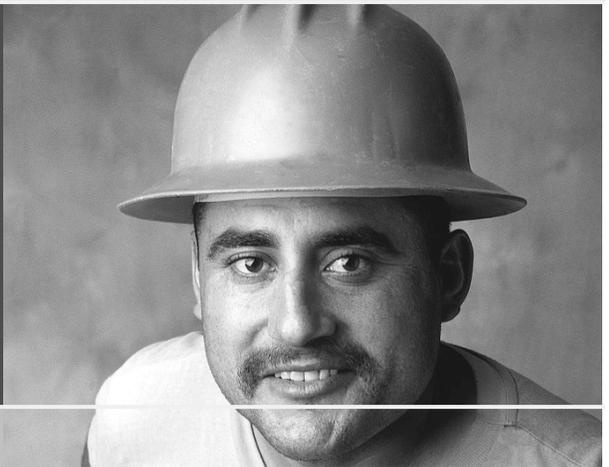
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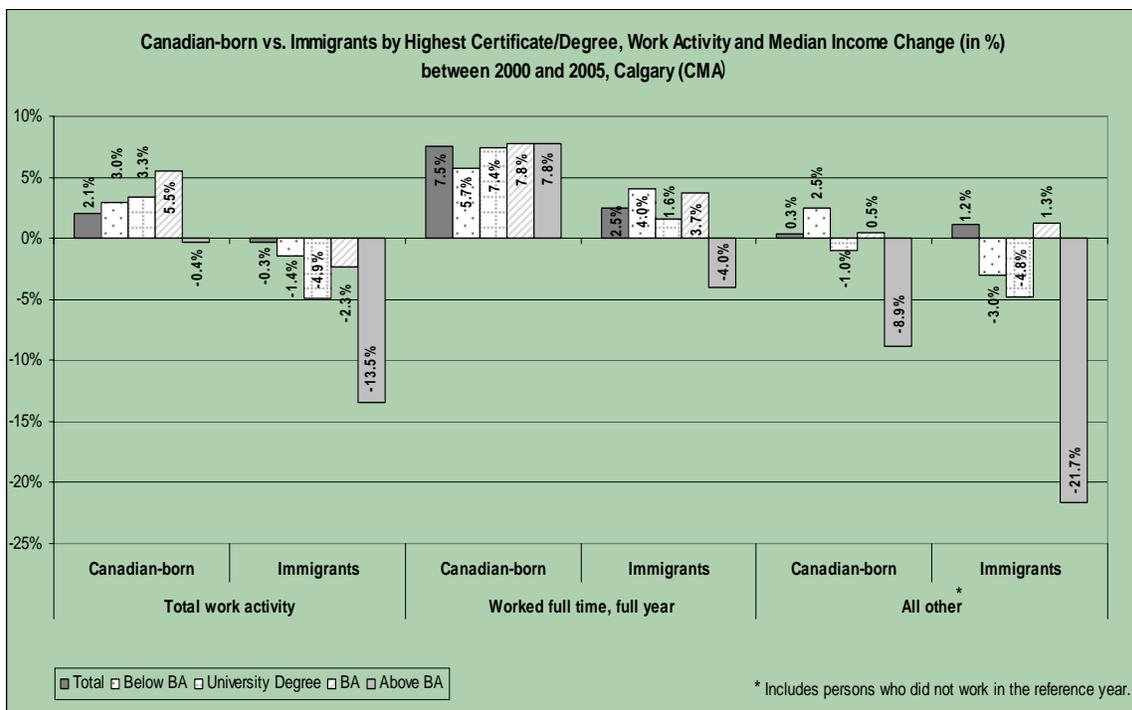
Nor is education a protective factor. Between 2000-2005 immigrants in Calgary working full-time/full-year (FT/FY) saw an average 2.5% increase in median income compared to a 7.5% increase for FT/FY Canadian-born Calgarians. Immigrants without a degree realized a 4% increase, those with a bachelor's degree 3.7%, but those with higher degrees experienced a 4% *decrease* in median income. Canadian-born Calgarians in these categories earned 5.7%, 7.8% and 7.8% increases respectively (Statistics Canada, 2006d).

Calgary is also seeing a growing geographic concentration of racialized poverty. In 2000, there were two communities in which over 60% of the low income population was racialized. By 2005, in more than 30 communities, 60-80% of the low income population was racialized, with 7 communities having over 80% of its low income population racialized. A number of these latter communities are considered middle-upper class neighbourhoods. A recent study notes that neighbourhoods which feature high concentrations of low-income residents are associated with many negative 'place based' effects for children, youth and adults (Cooper, 2008).

# Inequality in Calgary: *The Racialization of Poverty*



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## Policy Considerations

The growing racialization of poverty has received little public or policy attention in Canada reflecting a historical pattern of differential treatment, occupational segregation in the labour market, and discriminatory governmental and institutional policies and practices (Galabuzi, 2001). Systemic discrimination embedded in our society and our institutions create barriers of access, limited mobility and disproportionate concentrations of racialized labour in part-time and temporary employment, and overrepresentation in sub-standard and increasingly segregated housing. This labour pool sustains other Canadians in booming economic times yet is first to be laid off in times of economic downturns. This creates a situation where poverty in our communities is becoming highly gendered and racialized. It is incumbent upon all levels of government to ensure that all children, but, in particular, Aboriginal, racialized immigrant and racialized Canadian-born children do not fall into the

## Inequality in Calgary: *The Racialization of Poverty*

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cycle of poverty currently experienced by their parents. It is clear that much of the disparity is systemic and structural and becoming endemic to particular population groups through no fault of their own.

This suggests that more needs to be done to address the systemic and institutionalized nature of this issue. When people come to Canada with excellent skills and reasonable expectations of using those skills, yet the opportunity is not provided to the extent that their families live in poverty, this creates alienation, especially in the second generation, and may encourage 'exit' options like leaving the country if this is possible. One in six male immigrants leave Canada for better opportunities elsewhere within the first year of arrival and most of these are the most highly skilled (Statistics Canada, 2006e). And 40% of those who arrive via business investment and skilled worker categories depart within 10 years, *with those fluent in both French and English tending to stay for shorter periods.*

Immigration is a competitive market and if Canada recruits immigrants we have to find ways to encourage them to stay. Recent research indicates that while new immigrants are increasingly drawn to Calgary, there is a net outflow of more established immigrants (Pruegger and Cook, 2008). As the local labour force begins to rely on and compete for immigration to fill employment needs, making Calgary a community of choice will be necessary to enhance Calgary's national competitiveness as a city (Cook, 2009).

*Economic exclusion is one of the most significant dimensions of exclusion. Whereas previous immigrants initially faced challenges with settlement, they were able to "catch up" to their Canadian-born counterparts economically within a matter of years. There is growing concern, however, that more recent immigrants are not advancing as previous generations did. Poverty rates for immigrants and visible minorities remain persistently high, while income and employment rates remain low.*

*As patterns of disadvantage become entrenched, there is concern too that patterns of cultural segregation and exclusion are also becoming entrenched. While Canadian cities do not yet exhibit racial segregation to the extent witnessed in the United States, there is evidence of the emergence of neighbourhoods where race and poverty converge. This may result in entrenched exclusion where the opportunities for advancement are limited by the mutually reinforcing factors of race, class and geography*

*(Cook, 2009).*

## Inequality in Calgary: *The Racialization of Poverty*



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And for Aboriginal and racialized Canadians and Calgarians, being excluded from social and economic opportunity in their own communities, especially for the growing number of racialized youth, is a recipe for disaster that Canada and Calgary can still avoid with political will and commitment.

Social exclusion of racialized Canadians, Aboriginal people, and recent immigrants affects not only individuals, but whole communities. Racism is a form of violence, as is poverty, and both poverty and violence are being racialized – disproportionately affecting Black and Aboriginal communities and, to a lesser extent, other visible minorities. The costs of social exclusion of a large segment of a nation's population cannot be definitively established. But we do know that exclusion from civil society due to systemic discrimination; from social goods like housing; from social production including opportunities to participate and contribute fully in society; and economic exclusion with unequal or lack of access to adequate and appropriate work and employment, can lead to poor health outcomes. These four aspects of social exclusion are considered to be social determinants of health and the marginalized groups discussed in this report face multiple risks to their wellbeing due to: double-digit income gaps; 2-3 times higher unemployment rates combined with discriminatory practices in the workplace; deepening levels of poverty; increased residential segregation and spatial concentration of poverty; disproportionate contact with the criminal justice system; and poorer access to health care and bias-free health care practices (Public Health, 2004). A recent report has confirmed that those growing up in poverty have different gene activity and predispositions to compromised immune systems and chronic disease (Bermingham, 2009).

*My theory of this is, until you get people of colour, particularly black or African, sitting as a Supreme Court judge, sitting as the head of a Crown corporation, and so on, until that happens, and people can see there are competent visible minorities sitting on the bench, running large Crown corporations or other agencies, or being a senior deputy minister, until that happens, they're going to say the reason they are not there is because they are not competent (Senator Donald Oliver- (lawyer and first Black man summoned to the Canadian Senate in 1990).*

*Excerpt from Fancoli, P. (2005). Why are there so few visible minorities in top PS jobs? The Hill Times: Canada's Politics and Government Newsweekly, p. 5).*

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Low income children also have shortened attention spans and other learning problems, and that those over-represented in poverty, like Aboriginal people, pass this disadvantage down from generation to generation. These effects have big implications 30-40 years in the future.

As such, the time is now to ensure that all of our citizens have an opportunity to contribute to and benefit from our economic prosperity. By developing and supporting social and economic policies that provide economic opportunity for all, especially youth, and by ensuring that all Canadians feel part of the social, cultural and economic fabric of Canada, the promise of multiculturalism will be realized. In Calgary, we have an opportunity to truly be the Face of the New West by demonstrating leadership in addressing socio-economic security and equity for racialized and Aboriginal Calgarians before poverty becomes entrenched in these communities.

*Perhaps it is time to stop debating weapons in space and start addressing... the growing chasm between the haves and have-nots, and the diminishing prospects for our new immigrant class to ever attain the Canadian dream. What happens to a society when so many of its citizens simply can't afford safe housing, good nutrition, decent child care - in other words, what citizens of a rich country like Canada should take for granted? If these trends continue unabated, we may find out- to our regret.*

*(Lauzière, 2003).*

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## Appendix A

### Immigrants take brunt of recession, recover less quickly

*Tavia Grant and Jennifer Yang  
Globe and Mail Update Last updated on Monday, Jul. 27, 2009 10:47AM EDT*

Past recessions show immigrants have greater difficulty re-entering the labour force even after the economy rebounds Bhagwan Lobana knows too well how harsh the labour market is.

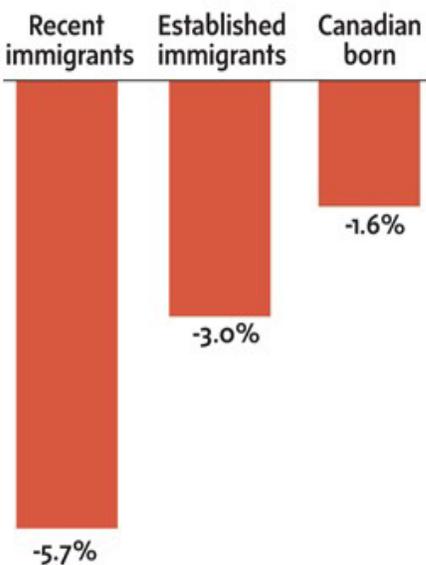
Last April, after nearly two years in Canada, the 50-year-old Punjabi finally found a job that he was proud of. Mr. Lobana, an experienced chemist who graduated top of his masters' class in 1982, was hired at Acuren, a materials-testing and engineering company. But in November, he was laid off when business slowed because of the recession.

"I was very upset," Mr. Lobana said. "I could not continue because of the recession. So my dreams are pending."

Mr. Lobana has since applied for more than 30 jobs with no success, and recently found temp work operating a forklift.

#### PERCENTAGE CHANGE IN EMPLOYMENT LEVELS

3-MONTH AVERAGE COMPARING JUNE, 2008 AND JUNE, 2009



THE GLOBE AND MAIL  
» SOURCE: STATISTICS CANADA

It's a decision that may have farther-reaching consequences than he knows.

While tens of thousands have joined the ranks of the unemployed during a nerve-wracking recession, newcomers to Canada are losing their jobs at more than three times the rate of workers who were born here - and may suffer much longer-lasting repercussions, even after the economy starts to recover.

Employment among Canadian-born workers fell 1.6 per cent over the past year, compared with a 5.7-per cent decline among immigrants who have been in the country for five years or less, according to Statistics Canada research prepared for The Globe and Mail. Immigrants who have lived here for at least a decade fared slightly better: Their level of unemployment dropped 3 per cent, still nearly double the rate of people born in Canada.

But past recessions show immigrants have greater difficulty re-entering the labour force even after the economy rebounds.

And for newcomers who are forced to accept jobs below their qualifications, the damage to their careers is often permanent - a term dubbed "the scarring effect."

The longer the recession lasts, the more likely skilled immigrants like Mr. Lobana are to settle for lesser jobs to pay the bills. But research shows it's difficult for workers to maintain their professional skill sets if they stay underemployed too long.

For those who are out work for more than two years, "the scarring on their career trajectory is significant and will outlast the recession," said Elizabeth McIsaac, executive director of the Toronto Region Immigrant Employment Council. "We may never get those skills back into the economy."

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The firing gap is partly explained by the hierarchy that prevails in many workplaces.

"It's a last hired, first fired syndrome: Seniority rules," said Jeffrey Reitz, professor of ethnic, immigration and pluralism studies at the University of Toronto. Since newly arrived immigrants tend to be recent hires, and often haven't been around long enough to establish themselves, they are more expendable when the axe falls.

"Unfortunately, [Mr. Lobana] was one of the last hires, so he was one of the people we [had] to let go," said Peter Dalla Via, Mr. Lobana's former lab manager at Acuren, which is based in Mississauga. "He was quite competent at what he was doing."

Another factor is that many immigrants have found "survival jobs" in recent years in precisely those industries most affected by the current recession. The Statscan data show that manufacturing and retail contain the biggest proportion of landed immigrants among their work forces. In the past year, the industries with the biggest drops in immigrant jobs are manufacturing, construction and transportation.

Employment lawyer Lior Samfiru of Toronto-based Samfiru Tumarkin has observed a wave of immigrants coming through his door, particularly in recent months, seeking advice on terminations.

He said he believes employers lay off newcomers because they're less likely to demand workplace entitlements, such as severance pay.

"No question I'm seeing more immigrants," he said. "The reality is, I meet with these individuals, and they have less knowledge of what their rights and entitlements are - on severance pay or notice periods. And if they do, they're reluctant to pursue them. And employers know this."

Another factor is that some employers may lay off an immigrant because of the perception he or she just doesn't fit in with the culture, said Kelly Pollack, executive director of the Immigrant Employment Council of BC. "It's unintentional discrimination: you may have been hired, but then there are difficulties integrating. That's why cross-cultural training is something we need to be doing better - this issue is definitely something we hear about very repeatedly."

The recession is merely exacerbating problems that already existed, said Craig Alexander, deputy chief economist at Toronto-Dominion Bank - a widening income gap between newcomers and Canadian-born people, and a jobless rate among recent immigrants that was already more than double that of native-born people. "If you have one segment of the

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population that doesn't have the opportunities that the other has, it raises fundamental questions," he said.

The problem is compounded in this recession because Canada continues to bring in temporary foreign workers - a policy that will hurt an economic recovery because it eventually displaces skilled permanent immigrants, a report this week by Toronto's Maytree Foundation said.

Not only are immigrants losing their jobs, but once they do, it's much tougher for them to re-enter the workforce, said Karol Adamowicz, director of careers services and research at the Edmonton Mennonite Centre for Newcomers. They tend to lack networks that can help land jobs, plus employers are even more likely to be queasy about foreign credentials now that the labour pool is so big, he said. "There's a lot of people for employers to choose from now, so they're not willing to take a risk on an immigrant whose credentials may or may not be clear. Employers are being more picky."

Mohammed Muqtadir arrived in Canada four years ago, hoping for a better life for his three children and armed with a master's degree in hospital administration from the United States and 15 years global experience in hospital management.

The Indian-born immigrant found work at a Toronto health network last year - only to have the contract evaporate in January.

Since then, he's volunteered, found mentors, taken English classes and done public speeches, with no luck.

But he is unwilling to settle for a job beneath his capabilities. So, he keeps searching.

"It's very frustrating," he said. "I have seen a lot of other people, professionals, drive taxis, but I don't want to do that. Once you get into that cycle, you won't be a professional in the future."

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Inequality in Calgary  
*The Racialization of Poverty*

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