A photograph of a dilapidated building with a boarded-up door and a window with a 'CLOSED' sign. The building has a weathered, textured facade. The door is made of wood and has a metal grate with a sign that says 'CLOSED'. There is graffiti on the door and the wall. The window above the door is also boarded up. The overall scene suggests a state of neglect and poverty.

what is  
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 first 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.

Front Cover, Inside Front Cover, and  
Back Cover Photo Credit: Ming Emma Ko



# what is poverty



a number?

a face?

lack of income?

being hungry?

lack of opportunity?

going without?

a lived experience?

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

The numbers alone give us little understanding of what poverty really is. What does it look like and what does it really mean for people who are struggling with it?

“Emptiness, destitute, hopelessness, helplessness, sadness, darkness, lost, no identity, no self-esteem, coldness, ashamed, no voice, no family, no grandchildren, no smiles, no privacy, no laughter, no happiness – this is what living in poverty means.”

– *PovertyTALKS! Member*

# poverty is... complex

Despite living in a wealthy country, province, and city, poverty remains a reality for too many Calgarians. Poverty rates have become entrenched over the past decade, remaining steady throughout Alberta's economic booms and busts. Child poverty rates have actually increased, rising by 40% between 2008 and 2009.<sup>1</sup>

As shown in the graph below, we also know that income inequality, which reflects the gap between those with the highest incomes and those with the lowest, is growing in Alberta. In fact, inequality in Alberta is higher than it has been at any point in the last 20 years. Not only does income inequality further entrench poverty and add to its complexity, it also negatively affects all income levels. In other words, we all suffer when high income inequality exists.<sup>2</sup>

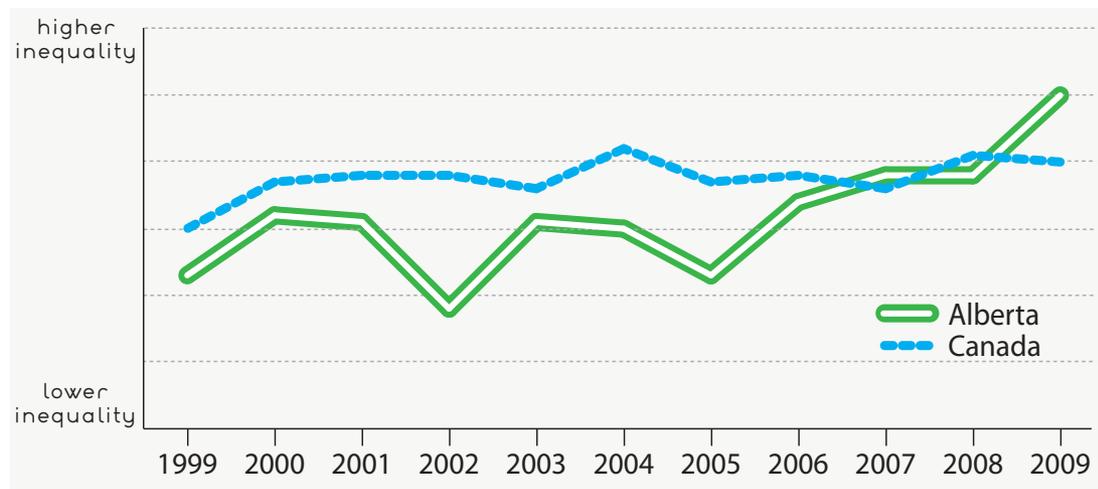
Poverty is about more than scarce income and financial insecurity. Poverty is a physical, social and emotional experience. It is tied to a lack of opportunities and choices. We know that individuals need more than just their basic needs to survive and thrive in our city. They need to be able to handle unexpected expenses, to achieve their goals, and to meaningfully contribute to all aspects of our community.

In this vein, this series defines poverty in Calgary as a lack of resources and few opportunities to achieve a standard of living that allows full participation in the economic, social, cultural and political spheres of society.

"Poverty has 5 senses...  
I see it, I feel it, I smell it,  
I hear it, I taste it. The only  
sense poverty doesn't have  
is common sense."

– United Way Discussion  
Group Participant, 2011

INCOME INEQUALITY IN ALBERTA AND CANADA<sup>3</sup>

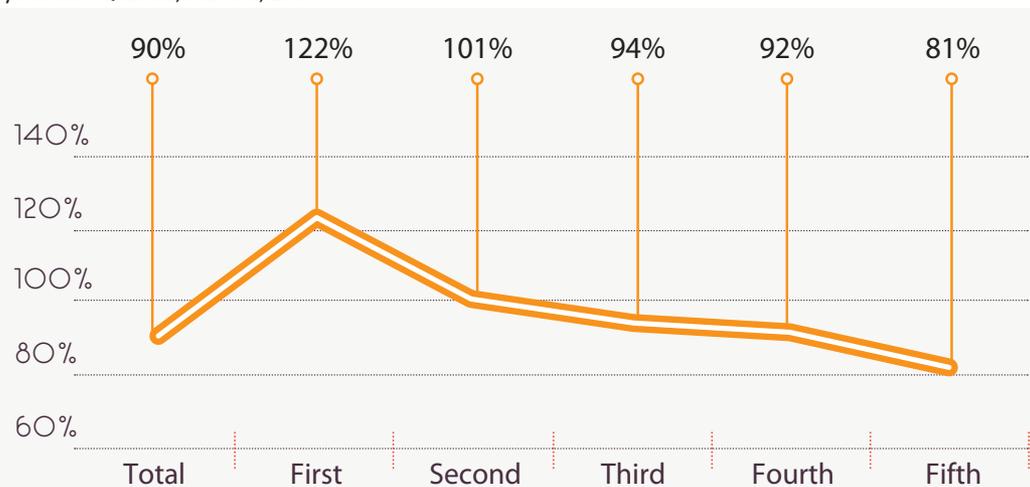


# poverty is... a reality in calgary

“It doesn’t take anything more than a lost job or increase in interest rates, or a sickness where the government doesn’t cover the costs of the drugs, or even a bad choice or two made in the course of their day to day life... once [you] really understand that what [you] think of as the dregs of society are people just like [you] but in different financial circumstances – then and only then will there be a real will to make the difference we need to see.”

– *PovertyTALKS! Member*

HOUSEHOLD SPENDING AS PERCENTAGE OF AVERAGE HOUSEHOLD<sup>5</sup>  
By Income Quintile, Alberta, 2009



Poverty is a reality for 1 in 10 Calgarians. Rates of poverty have persisted in Calgary through the booms and busts of the last several decades. This troubling trend will likely continue given that housing costs in Alberta are increasing at more than 4 times the rate of incomes.<sup>4</sup> On average, Albertans with the lowest incomes spend 22% more than their income; those with the second lowest incomes are, on average, breaking even, which means many are getting by, but certainly have no cushion for unexpected costs (see graph below). If a personal financial crisis hits, many would fall into poverty.

## fast FACTS

**1 in 5** Calgarians are concerned about not having enough money for food.<sup>6</sup>

**1 in 3** Calgarians are concerned about not having enough money for housing.<sup>6</sup>

**1 in 2** Calgarians are concerned about not saving for the future.<sup>6</sup>

# poverty is... a lack of choices



For many people living in poverty, their only choice is to spend a significant amount of time and energy to meet their most basic needs. Imagine spending all your spare time brainstorming, budgeting and travelling around the city to access services, just to make sure there is enough food for the week – it can be a full-time job in itself.

“It is not easy, when everyday you have to think, ‘Should I pay the light bill or buy a loaf of bread?’ It is just not the easiest thing in the world? It is the most difficult, and it is not feeling like a part of the world, not feeling like a person [but rather a] lesser person.”

– *Women Together Ending Poverty Member*

Living in poverty means making difficult choices every day between food, transportation, housing costs, childcare, and other basic necessities. It also means not being able to save for the future. The daily challenges faced by someone living in poverty as they try to survive can lead to risky, potentially dangerous working conditions, relationships, or debt levels.

“Cashing cheques is important. Banks have no-fee bank accounts, however you still need identification and an address. No address, no identification, no cashing cheques—then you have to go to the money marts which rip you off.”

– *PovertyTALKS! Member*

## fast FACT

Approximately **35,000** Calgary families face difficulty in affording the cost of adequate housing. Over the past 10 years, **housing prices have increased 156%**, yet **incomes have increased only 34%** over that same time.<sup>4</sup>

# poverty is... a trap

“I did what was supposed to be the right thing, I went back to school so I could provide for me and my daughter without relying on other people, but as it turns out, daycare costs more than rent.”

– PovertyTALKS! Member

The math works against people living in poverty. Low wages make it nearly impossible for people to meet their basic needs, to save for unexpected expenses and emergencies, or to make longer-term investments in assets such as home-ownership or education. Meanwhile, programs and services currently in place in Alberta are often geared towards providing basic needs, rather than preventing poverty or helping people develop their assets to move out of poverty. As a result, poverty means spending all your resources and energy just trying to keep your head above water.

Consider a lone mother of two earning a low wage - food and shelter alone consumes more than 70% of her monthly income.<sup>6</sup> Provided she knows where to turn, she must rely on social services or charitable organizations to help meet her and her children's monthly needs – programs that help make ends meet but are unlikely to lift her out of the exhausting cycle of poverty. See the table below<sup>8</sup> which shows the shortfall for a single mother employed full-time at minimum wage. She is trapped.

MONTHLY INCOME		DOLLARS PER MONTH
NET INCOME	\$	1,363
INCOME SUPPORT SUPPLEMENTAL BENEFITS	\$	-
UNIVERSAL CHILD CARE SUBSIDY	\$	100
BASIC MONTHLY CHILD TAX BENEFIT	\$	105
NATIONAL CHILD BENEFIT SUPPLEMENT	\$	176
ALBERTA FAMILY EMPLOYMENT TAX CREDIT	\$	59
GST CREDIT	\$	53
<b>INCOME SUBTOTAL</b>	\$	<b>1,856</b>
MONTHLY EXPENSES		DOLLARS PER MONTH
RENT – 1 BEDROOM APARTMENT	\$	900
TRANSPORTATION (LOW-INCOME TRANSIT PASS)	\$	40
CHILD CARE (AFTER PROVINCIAL SUBSIDY)	\$	554
FOOD	\$	225
UTILITIES	\$	100
OTHER LIVING EXPENSES	\$	240
<b>EXPENSES SUBTOTAL</b>	\$	<b>2,059</b>
<b>TOTAL INCOME MINUS EXPENSES</b>	\$	<b>-203</b>
<b>ANNUAL SHORTFALL</b>	\$	<b>-2,436</b>

Total shortfall  
per month:  
**-\$203**

Total shortfall  
per year  
**-\$2,436**

# poverty is.. unhealthy for people

experiencing higher stress and isolation. Poverty is often associated with poor nutrition. Likewise, poor health contributes to poverty by limiting a person's ability to work and earn a reliable income, increasing costs of living, increasing social isolation, and reducing mobility.

The impact of poor health associated with poverty can be long term. Children born and raised in low income families are often impacted by inadequate access to food, affordable housing and other necessities that contribute to good health. Going without then affects their performance at school, as well as future prospects for education and employment.

Poverty and income inequality have formally been recognized as determinants of health by a wide array of reputable sources, including the British Medical Journal and the Public Health Agency of Canada. Poverty means having less access to medical services and medication – due to a lack of money, transportation, or time. It means



## fast FACTS

- Being poor has twice the impact on life expectancy than cancer.<sup>8</sup>
- Wealthy men live 7.4 years longer than poor men.<sup>8</sup>
- Wealthy women live 4.5 years longer than poor women.<sup>8</sup>

# poverty is... unsustainable

We all lose out when poverty exists. Poverty costs us economic participation, unfulfilled potential, and it is detrimental to community life.

For those struggling to make ends meet, they often face isolation in their communities and disconnection from supports and opportunities. They may face barriers to engaging in social activities, such as inviting guests over for a meal, or limits to actively participating in the civic life of their communities. Social and economic exclusion can also take the form of limited access to educational or employment opportunities, meaning that society does not benefit from the skills and abilities of all citizens.

People living in poverty can turn to costly programs and services to get by. While these supports often respond to the symptoms of poverty, they are not always designed to address the root causes. In the long run, these forms of temporary relief end up costing society more dollars than it would cost to change the systems, practices, and policies that contribute to poverty in the first place (see *How is Poverty Reduced?* in this series, for more on this topic).

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If Ottawa and the provinces fail to make [poverty] a priority, Senator Hugh Segal predicts, “over time, we will begin to run out of the money that we need to deal with the demographic bulge because it will be consumed in the health care requirements of the poor, which will increase. It will be consumed in the costs of the illiteracy and unemployment which relate to poverty. ... And it’ll be unsustainable.”

– *Globe and Mail*, May 6, 2011



## fast FACTS

An economic analysis of external costs in **Alberta** shows that **poverty costs up to \$9.5 billion per year<sup>9</sup>** in public services like health care, in crime, and in lost economic opportunities for children and people living in poverty. British Columbia, Nova Scotia, Ontario, Prince Edward Island, and New Brunswick have all done similar studies showing that **poverty costs us all.**



what is  
poverty

Poverty is complex, and manifests itself in people's lives in many ways: social exclusion, poor health, low quality of life, and unfulfilled potential. It reduces opportunities and impacts people's ability to live with dignity and choice. It directly affects 1 in 10 Calgarians.

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 through *Why does Poverty Exist?* and *Who is Affected by Poverty?*

## 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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5. Statistics Canada. (2009). *Survey of Household Spending* (Table 62FPY0032).
6. United Way and The City of Calgary. (2011). *Signpost II: A Survey of the Social Issues and Needs of Calgarians*. Calgary: Goss Gilroy Inc.
7. Table is based on the following with numbers updated to reflect 2011 amounts: *Surviving Not Thriving*. Calgary: United Way of Calgary and Area, (2007). <http://www.calgaryunitedway.org/main/sites/default/files/Surviving%20Not%20Thriving%20Final%20%20jun07.pdf>
8. Kingston Community Roundtable on Poverty Reduction. (2010). *2010 Deprivation Index*. Kingston, Ontario.
9. Briggs, A. & Lee, C.R. (2012). *Poverty Costs, An Economic Case for a Preventative Poverty Reduction Strategy in Alberta*. Calgary: Vibrant Communities Calgary and Action to End Poverty in Alberta.



"My humanity is not defined by my income."

- *United Way Discussion Group Participant, 2011*