Which measure of poverty to use?

Canada does not have an official poverty line. For the first time in the 2012 report most of the data is presented using the Low Income Measure After-Tax (LIM AT). Several of our Campaign 2000 national and provincial partners are also using the LIM AT in their reports.

The decision to discontinue use of the Low Income Cut-off is in part because, since 1992, LICO has only been updated for inflation and not other changes in the expenditures of Canadian families. Statistics Canada has no plans to update LICO, whereas LIM is updated every year.

LIM has other advantages over LICO. It is a more easily understood measure. LIM is based on 50% of median family income. LICO is a much more complex measure and is also an international measure used to compare poverty rates in different countries around the world. LICO is a measure only used in Canada.

Chart 1 shows the low income (poverty) lines for different household sizes for both LIM and LICO.
Achieving the Promise

For many Alberta families, the 2009-10 recession is already a fading memory. However, for low income Alberta families, the picture is not as bright. So far, there has only been a slight decline in poverty rates for families with children. While unemployment overall has gone down, it is still above pre-recession levels for vulnerable groups such as youth and Aboriginals. Income support caseloads are only falling slowly and are still well above pre-recession levels.

Demands on human services community organizations continue to grow. Available resources from both government and the community are in many cases not keeping pace.

The most positive development during the past year, is the Alberta government’s decision to join other provinces and territories that are working on more comprehensive approaches to reducing poverty and enhancing social inclusion.

In October 2010, as part of a review of the province’s minimum hourly wage, an all-party committee of the Alberta Legislature unanimously passed the following recommendation:

“In the interests of developing longer-term solutions than can be achieved through minimum wage policy alone, the Government of Alberta should recognize the need for a designed-in-Alberta poverty reduction strategy, study best practices in other jurisdictions and engage in broad-based public consultations in order to create this strategy,” (Legislative Assembly of Alberta, October 2010, p. 5).

In February 2012, Vibrant Communities Calgary and Action to End Poverty in Alberta released a report titled Poverty Costs: An Economic Case for a Preventative Poverty Reduction Strategy in Alberta (Briggs & Lee, 2012). This report quantified the cost of poverty in terms of health care, crime, and lost economic opportunity for the first time in Alberta.

In April 2012, during a hard fought provincial election, Premier Alison Redford promised Albertans that if her government was re-elected, they would commit to a 5-year plan to end child poverty and a 10-year plan to end poverty overall (Progressive Conservative Association of Alberta, 2012).

Since the spring election, the Alberta government has commenced work on a Social Policy Framework in which a poverty reduction plan is included. An initial round of public consultations on the framework took place in the summer. A second consultation round is underway with the goal of developing a final framework by the end of 2012 (Government of Alberta, September 2012b).

A wide cross-section of Alberta voluntary organizations are actively participating in shaping the Social Policy Framework. The next few months will be critical in determining whether this framework will end up being simply a statement of good intentions, or include specific policy changes to make Alberta a leader in achieving the promise of eliminating child and family poverty.

This breakthrough occurred due to the hard work of many concerned organizations and individuals.

The Edmonton Social Planning Council and Public Interest Alberta previously co-published three reports, We Can Do Better (2008), We Must Do Better (2009), and Time for Action (2010). The Alberta College of Social Workers joined ESPC and PIA to co-publish last year’s poverty reduction report, In This Together (2011).


Action to End Poverty in Alberta, a steering committee representing municipalities, social policy organizations, and the social service sector was formed two years ago to champion and lead the development of this comprehensive strategy.

“We are proud of our accomplishments with the 10-year Plan to End Homelessness, and Alberta is now recognized as a leader in Canada in its approach to addressing this issue. We plan on building on this success with our Plan for Poverty Reduction.”

- Premier Alison Redford, April 11, 2012
  (Progressive Conservative Association of Alberta, 2012)
Assessing Poverty in the Post-Recession Period

Despite Alberta’s incredible wealth there were 91,000 children under the age of 18 (11.3 per cent) living below the low income measure in 2010 (Chart 2). With the slow recovery of the economy in 2010, this represents a 12 per cent decrease in the total number of children in poverty from the previous year (Statistics Canada, 2012f).

The percentage of younger children living in poverty is slightly higher than the overall child poverty rate in Alberta. Over one in six (17.2 per cent) children under the age of 6 years are living in low income families. In Alberta, there are 48,200 children under 6 living in poverty.

The most recently available data on child poverty in Alberta is from 2010. In a post-recession era, a strengthened economy and social investments such as enhanced child tax benefits will help reduce child poverty rates.

Child poverty higher in lone-parent families

In Alberta, some sub-populations are more likely to be poor than others. One group who is particularly vulnerable is single parent mothers, who tend to have weak links to the labour market and/or are precariously employed (Canadian Women’s Foundation, 2010, p. 38). When facing these circumstances, it is difficult to find continuous work and adequate child care, while juggle their domestic responsibilities as caregivers.

Poverty rates for children under the age of 18 who live with a female lone parent are markedly higher compared to two-parent families. In the years leading up to the recent recession, the poverty rates for these children were declining, but spiked at 37.2 per cent at the onset of the recession in 2008. While child poverty rates for this type of household started to fall in 2009, they rose again to 33.2 per cent in 2010.

Between 2009 and 2010, the poverty rates for children (under the age of 18) living in this type of household fell from 9.9 per cent to 7.6 per cent (Chart 3). Despite the declining rate, it is still above the pre-recession period. Low income two-parent families were continuing to experience job loss, reduction in hours and/or pay cuts. This loss of employment income may have been enough for them to fall below the poverty line.

Low income parents work, many full-time

For many low-income families, employment is not a guaranteed ticket out of poverty. Full-time work, even when combined with income transfers from governments, is still inadequate to lift children out of dire circumstances. In 2010, 51.6 per cent of children who were in poverty lived in a household where one or more persons were working full-time for the entire year (Chart 4).
Greater disparity in income

Incomes have moderately increased for the poorest and average Albertans between 2009 and 2010. However, income inequality between the rich and the poor has widened greatly over the last 20 years. Between 1990 and 2010, the yearly income of the poorest 10 per cent of Alberta families with children increased only marginally (Chart 5). Over the same period of time, the yearly income of the richest 10 per cent of families with children almost doubled.

In 2010, Alberta saw a slight decrease in income inequality (Chart 6). Despite yearly fluctuations, Alberta has continued along an upward trajectory from low to medium income inequality. Growing inequality threatens Alberta’s social cohesion by increasing polarization between income groups, impeding upward mobility, and undermining support for strong public services.

Most low wage earners are women

Over one in four employed Albertans, and over one in three employed women, work for low wages ($15 per hour or less) (Chart 7). Between April 2011 and March 2012, the proportion of low-wage working Albertans who were 25 years of age or older rose to 58 per cent. This is an increase of 2 per cent compared to the year before (Statistics Canada, 2012a).

There is also a gender disparity when it comes to low wage work. Almost two-thirds of low wage workers 25 years and older (66%) are women (Statistics Canada, 2012a). Many more women than men work in low wage occupations in sectors such as retail trade, voluntary, and non-profits (Government of Alberta, 2008, p. 5). Moreover, the Government of Alberta’s decision to implement a lower two-tiered minimum wage negatively impacts women who disproportionately are employed as servers (Government of Alberta, September 2012, p. 4).

Unemployment rates since the recession

From an employment perspective, the recession bottomed out in March 2010, when 91,000 fewer Albertans had jobs compared to October 2008. During the same timeframe, the unemployment rate more than
doubled from 3.5 to 7.4 per cent. Unemployment rates have been steadily decreasing since the height of the recession, from 6.6 per cent in 2009 to 4.7 per cent in 2012 (January to September).

Job growth in Alberta has improved over the past 12 months. Since April 2012, the province’s unemployment rate has been less than 5 per cent.

Unemployment rates for Aboriginal people living off-reserve are usually double compared to the overall population. The rate fell from 15.4 per cent at the height of the recession in 2009 to 11.4 per cent in 2012 (January to September). However, it was more than double the overall unemployment rate in Alberta (Chart 8).

Similarly, youth unemployment rates fell modestly between 2009 (12.1 per cent) and 2012 (9.0 per cent). These percentages are still much higher than overall unemployment, and are still above pre-recession levels.

**Albertans exhaust EI benefits**

Employment Insurance was accessed by most low income Albertans who experienced sudden job loss at the start of the recession (Chart 9). Between 2008 and 2009, the number of Albertans receiving regular benefits tripled. Men were disproportionately affected by job loss. In recent months, the gender gap has narrowed. While the number of men receiving EI has dropped, the number of women receiving EI has increased. This trend is concerning because women, particularly in lone parent families, have primary responsibility for providing for children. In 2010, the number of beneficiaries started to decline as their eligibility expired. This trend of fewer beneficiaries continues into 2012.

**Social assistance caseloads slowly decline**

As shown on Chart 10, a low percentage of Albertans are on social assistance. Just prior to the recession in 2008, the number of people receiving Alberta Works (AW) income supports was at historically low levels and most low income Albertans were working. Between 2008 and 2012, the number of AW caseloads (each case represents two persons on average) increased by 19.4 per cent (Chart 10). The income support AW caseloads peaked in 2010, exceeding the 2009 threshold of EI beneficiaries. These figures suggest that some Albertans had to go onto income support after their EI benefits were exhausted.
One in three income support recipients are single parents with children. On April 1, 2012, after a 3-year freeze, Alberta Works monthly benefits increased by 5 per cent. As of August 2012, 52.0 per cent of the AW caseloads are Albertans who are expected to work (Government of Alberta, October 2012).

**Food bank use follows economic trends**

The rising costs of food and food bank usage are good indicators of the financial hardships faced by Albertans. As a consequence of the recession, there was a dramatic increase of food bank usage from 33,580 to 59,311 between March 2008 and March 2010, respectively (Chart 11). As Alberta continued to recover from the recession, the number of individuals and families using a food bank steadily declined. In March 2012, 53,512 Albertans used a food bank.

In March 2012, children and youth made up 44.1 per cent of those turning to food banks for help (Food Banks Canada, 2012, p. 4). That month, 33.7 per cent of those helped by a food bank reported being on some form of social assistance, while 23.8 per cent reported having employment income (Food Banks Canada, 2012, p. 21). Alberta has the highest rate of food bank use by those working full-time, full-year (Alberta College of Social Workers and the Parkland Institute, 2012, p. 26).

**Government transfers: Positive effects**

There are certain government income transfers - such as child tax benefits, social assistance, and employment insurance - which play a significant role in lifting low income families above the poverty line (Chart 12). In Alberta, the effectiveness of government income transfers in lifting children above the poverty line has increased over the years. In 1990, only about 25.0 per cent of children were lifted above the poverty line. Twenty years later, this had increased to 47.2 per cent.

Political and budgetary considerations account for the year-to-year variation in the effectiveness of income transfers. For example, government income transfers were frozen during the recent recession, whereas the recession of the mid-1990s saw transfers cut or eliminated. Despite the sharp spike in child poverty numbers in recent years, the situation would have been much worse in the absence of these vital transfers.

**A Snapshot of Current Activity: Ten Year Plans to End Homelessness**

- Homelessness reduction plans are being implemented in Edmonton, Calgary, Red Deer, Grande Prairie, Fort McMurray, Lethbridge and Medicine Hat.
- During the first three years 5,900 formerly homeless people (including 1,200 families) were permanently housed. About 80 per cent of those housed have been able to retain their housing.
- Province-wide use of emergency shelter beds or mats on a daily basis is down slightly compared to three years ago. However, we are not close to achieving the target of reducing emergency shelter usage by 50 per cent by 2014.
- Community agencies are contracted to provide support services to keep people housed. Many of the Housing First providers are already oversubscribed and unable to accept new clients.
- Less than one-half of the funded affordable housing units have been completed. To make matters worse, the province severely cut funds for additional housing units in the 2012 budget.
We Can End Poverty

The Poverty Costs report makes the case for why failing to act to end poverty has serious consequences and costs not only for those directly affected, but for all Albertans. The report estimates that poverty costs Albertans $7.1 billion to $9.5 billion per year (Briggs & Lee, 2012, p. 1).

In her April 2012 election promise, Premier Redford made the same point:

“There are significant economic benefits to reducing poverty beyond the positive social impact for those immediately affected. Children raised in poverty are far more likely to have long term health implications and a difficult time learning in school, which is why early intervention is vital,” (Progressive Conservative Association of Alberta, 2012).

Build on what’s already working

A diverse range of services and supports benefiting people affected by poverty are already in place. Personal and corporate acts of charity, excellent programs delivered by human services organizations and educational institutions, and investments by all orders of government are making valuable contributions.

In her election promise, Premier Redford affirmed this work as follows:

“We recognize that there is already a great deal of valuable and relevant work going on in communities throughout the province, and we want to build on those successes,” (Progressive Conservative Association of Alberta, 2012).

Governments already contribute to reducing poverty through income support programs, tax credits and public services like child care, child protection, affordable housing, education, and health care. In the absence of government supports, many more people would be living in poverty, including almost twice as many children. For the most part, finding solutions involves building upon what’s already working well.

Government leadership is essential

Alberta has many individuals and organizations with an extensive understanding of poverty. Determination to end poverty is strong. But the magnitude and complexity of the problem requires leadership from all orders of government. Stable adequate public funding and sound public policy are essential aspects of achieving a poverty-free future.

A Snapshot of Current Activity: A Social Policy Framework for Alberta - Fairness and Justice for All

On November 2, 2012, the Alberta College of Social Workers and the Parkland Institute (2012) found that - despite Alberta’s wealth - inequality and disparity are growing faster than anywhere else in the country. Report highlights include:

- The top 1 per cent of Albertans earned 14.4 per cent of all pre-tax income;
- The top 50 per cent of Alberta households received 87 per cent of the share of earnings;
- The bottom 50 per cent of Albertans received only 13 per cent of the share of earnings;
- Albertans work the longest hours, with the least time-off, of almost anyone in the developed world; and
- Revenue reform including oil and gas royalty changes and a return to progressive income taxes will provide the needed financial resources to address high levels of poverty and inequality.

The report’s recommendations for policy and other changes were submitted to the Government of Alberta’s Social Policy Framework consultations.

After a decade of modest improvement in reducing the number of Alberta children living in poverty, this progress was interrupted by the recession. As the economy and government revenues grows stronger, further investment is needed in integrated approaches that have proven to be effective in reducing and preventing poverty.

Child benefits effective in reducing poverty

Child tax benefits are the most effective way to reduce child and family poverty. They do not discriminate based on source of income and are easy to administer. The only eligibility requirement is filing an income tax return. At no extra administrative cost, the provincial government could introduce an Alberta Child Benefit for low and modest income families to parallel federal child tax benefits.

In 2009, the Ontario government doubled the Ontario Child Benefit to $1100 per child, with a scheduled increase to $1310 by 2013 (Government of Ontario, October 2011). The Alberta government’s stronger financial position should allow it to introduce an Alberta Child Benefit at least equal to Ontario’s.

As federal government revenues recover, real increases to federal child tax benefits should be made as well. Campaign 2000 recommends that the maximum federal child tax benefit (including the supplement for low income families) should eventually increase to $5400 per child for the lowest-income families, about 50 per cent higher than current levels.
Ensure income support tied to living costs

Before the recent recession, relatively few Albertans received social assistance (Alberta Works) benefits, with most recipients unable to work due to illness and other factors. As mentioned earlier, Alberta Works caseloads spiked during the recession as unemployed Albertans exhausted their EI benefits before being able to find work. After peaking in 2010, caseloads are slowly declining in line with an improving economy.

April 1, 2012, after a three year freeze, Alberta Works monthly benefit levels increased by 5 per cent (Government of Alberta, March 2012, p. 24). Due to this minimal increase, Alberta Works monthly benefit levels remain among the lowest of any Canadian province (National Council on Welfare, April 2011, p. 2). There also remains no mechanism for Alberta Works benefits to increase in line with living costs.

In a positive development, Assured Income for the Severely Handicapped (AISH) benefits for disabled Albertans increased by $400 per month on April 1, 2012. The earnings exemptions before claw backs was also doubled to $800 per month (Government of Alberta, February 2012). As a result of these changes, the gap between benefits received from social assistance and AISH recipients has widened. Action is needed to bring social assistance rates closer to those of AISH recipients. People receiving Alberta Works benefits are just as deserving of our help as Albertans receiving AISH benefits.

Place-based initiatives

Place-based initiatives are developed in a particular geographic location or context. They are better able to address circumstances specific to a particular locale. Street newspapers, community festivals, safe communities activities, and peer-support programs for people with mental illnesses are examples of this. People living in economic poverty must be significantly involved in providing perspectives and having meaningful roles in the development and delivery of programs and services.

Experiences and challenges of poverty differ depending on location. For example, low income families living in rural or small town Alberta do not have access to public transport. Costs for transportation are therefore higher because of the need to have a vehicle.

Accessing benefits

Incomes can also be improved by ensuring low income Albertans receive tax and health benefits for which they qualify. Better financial literacy enables people to use income more effectively.

It can be difficult to find information and routes through bureaucratic complexities, especially for people already coping with challenges. Many community agencies invest significant volunteer resources helping people get benefits to which they are legally entitled. Since many benefits are tied to the filing of an income tax return, community initiatives like Edmonton E4C’s Make Tax Time Program use volunteers to assist low income households in filing their annual tax returns (E4C Alberta, 2012).

Asset building

Hopeful initiatives are making it possible for people to start building assets. These initiatives include social enterprise and micro-enterprise loan funds, and avenues for people to become homeowners through land trusts, sweat equity and cooperative housing.

In Alberta, innovative programs are being implemented to encourage low income people to save money for the future (e.g. individual development accounts). For instance, Momentum Calgary has a program called Fair Gains in which low income participants can have their savings matched 3:1. Participants saving $50 per month can receive matching savings of $150.27. Counter-productive policies, such as the requirement to exhaust all savings before qualifying for social assistance, need to be revamped.

Support to service providers

When service providers do not have adequate long-term funding, it is difficult to develop and sustain programs. Skilled staff are lost when programs come and go. New staff have to learn skills and valuable time is lost as they become competent. The current funding processes require organizations to spend a great deal of time and expertise developing proposals, rather than putting resources into actual service delivery. Excessive reporting requirements on small details not related to the purpose of the work also wastes valuable resources.

Funding should be based on achieving a real, long-term, positive impact and equipping people to meet their own needs. For example, literacy programs are a key factor in helping people to find and secure better-paying jobs.

A significant concern in the not-for-profit sector is that inadequate funding often means staff are paid poorly. This makes it hard to recruit and retain staff. Surveys of the salary and benefits available in the not-for-profit sector consistently show a large gap with the public sector for similar work.
Cooperative service delivery

To be effective, service providers require physical as well as human capital. Many service providers face challenges funding buildings, equipment operations and maintenance. There are still too many instances where community groups are charged market rates for substandard spaces.

Innovative examples of shared facilities demonstrate a commitment to cooperate and enable everyone to do better. Funders such as United Ways and community foundations provide support for greater collaboration, not just with direct services and facilities, but with ensuring best practices are used in all communities. New approaches to shared services are being tried around Alberta to meet financial and human resources needs with excellence and efficiency. Many service providers share the use of recreation space with municipal governments and educational institutions.

Promote gender equality

Women are more likely to be poor than men because of many unique social factors. Women are more likely to be caregivers for children, seniors and those who are ill. Women have higher representation in the low-wage earner category and only earn 68.1 per cent of what men earn in Alberta, full-year, full-time (Parkland Institute, 2012).

“...the feminization of poverty, as a lived reality, represents something larger than simply a lack of income or a state of financial need for women. While the very definition of poverty implies the inability to meet basic needs such as food, clothing, or shelter, being poor also implies the absence of choice, the denial of opportunity, the inability to achieve life goals, and ultimately the loss of hope,” (Thibos, Lavin-Loucks, & Martin, May 2007, p. 1)

When women are experiencing poverty, so too are their children and other dependents.

Deliver on plan to end homelessness

The negative consequences linked to the end of federal and provincial investment in affordable housing 20 years ago led to dramatic increases in the numbers of homeless individuals and families throughout Alberta. Combined with rapidly rising rents, this meant that by 2008 the number of homeless Calgarians increased to over 4,000 and the number of homeless Edmontonians to over 3,000.

In 2009, following the lead of Red Deer, Calgary and Edmonton, the Alberta government adopted a ten year plan to end chronic homelessness in the province’s seven largest urban centres. Three years into the ten-year plan, progress is being made. Both Calgary and Edmonton reduced the number of homeless persons by about 20% during the first two years. Progress is slowing in Year 3 as evidenced by a slight increase in the number of homeless persons in the City of Calgary between January and August 2012 (Calgary Homeless Foundation, 2012).

The Alberta Secretariat for Action on Homelessness estimated that a 10-year investment of $3.3 billion ($330 million/year) is needed to end homelessness in the next decade. The last several provincial budgets delivered much less than the required investment. While the funding for supports for formerly housed persons has increased, there have been reductions in homelessness prevention programs such as rent supplements. The commitment to end homelessness must be backed up with sufficient provincial and federal investment.

There is also a need to ensure that new affordable housing units are actually built. Several funded projects in Edmonton have been cancelled or delayed because of neighbourhood opposition. In recent years, a significant number of housing for those with intensive needs has been built in relatively few neighbourhoods close to downtown. All neighbourhoods need to step up to the plate and allow more low-income housing units to be built in their part of the city. Innovative solutions such as using surplus school sites in newer neighbourhoods would ensure a better distribution of non-market housing.

Affordable rents and homeownership

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

To address this funding shortfall, non-profit housing management agencies have implemented systems to determine which types of households have the greatest need for housing. Families with children receive priority, though there continues to be a shortage of units for larger families. For everyone else, the wait for rental assistance can take two years or more.

Employed Albertans deserve a fair income for work

Stable secure jobs with decent pay and benefits are a key poverty elimination tool. As well, government policies need to be developed that improve wages, benefits, and other conditions for low income workers without
extended health and dental benefits, employment pensions, and job security.

One-half of Albertans living in poverty work full-time for the full year. This shows a clear need for strategies to make sure that these hardworking Albertans do not have to live in poverty.

**Raise and Index Minimum Wage**

In June 2007, Premier Ed Stelmach announced a new minimum wage policy which indexed the province’s minimum wage to the average earnings of all Alberta employees. This led to transparent and manageable annual increases in the minimum wage.

In April 2009, instead of sticking with a formula that took the politics out of minimum wage setting, the province announced a minimum wage freeze at $8.80/hour. The freeze continued until September 2011 when the minimum wage increased to $9.40/hour with a lower $9.05/hour wage for workers serving liquor (Government of Alberta, May 2012, p. 10). From then on, the minimum wage will be adjusted annually using a formula that includes inflation and average earnings. This resulted in a minimum wage increase to $9.75/hour in September 2012 though the lower wage for liquor servers remains at $9.05/hour (Government of Alberta, September 2012a).

Because of the prolonged freeze in our minimum wage, and because other provinces have aggressively increased theirs, Alberta now has the second lowest minimum wage of any Canadian province.

**Living Wage for Contracted Services**

Vibrant Communities Calgary determined that in 2012, a living wage of $14.50 per hour without benefits and $13.00 per hour with benefits would be required to ensure that a single person working full-time for the full year could live above the poverty line (Vibrant Communities Calgary, 2012). Living wage policies - especially for services contracted by all three orders of government - would ensure a stronger human service sector.

**Make Work Pay through Tax Credits**

Earned income tax credits reward the work effort of those employed in low-paid jobs. The federal government first introduced a refundable working income tax benefit (WITB) in its 2007 budget. In its 2009 budget, as part of its economic stimulus program, the WITB was enhanced.

A Snapshot of Current Activity: Edmonton’s Poverty Reduction Initiative

Work commenced in 2012 on a municipal poverty reduction initiative for Edmonton. City Council gave the initial go ahead in May and approved its terms of reference in October.

An interim steering committee consisting of two City Councillors, representatives from the United Way, and other key community partners are giving early direction to the initiative. By December 2013, a plan will be completed that is comprehensive, involves all orders of government and the community. Targets, timelines and measures to track success will be included.

The enhanced WITB is available on earnings above $3,000. For single individuals, the maximum benefit is $925 and benefits are phased out at a net income of $16,667. For single parents and couples, the maximum benefit is $1,680, and benefits are phased out at a net income of $25,700. The WITB also includes a supplement for low-income working Canadians with disabilities, as these individuals generally face even greater barriers to workforce participation. Unfortunately, the WITB has remained frozen for the past three years (Department of Finance Canada, 2011).

Alberta has a different earned income tax credit called the Alberta Family Employment Tax Credit. Currently, the Alberta credit is only available to working families with children. The Alberta Family Employment Tax Credit should be expanded to include single adults and child-less couples, paralleling the federal working income tax benefit.

As revenues recover, both federal and provincial governments should reward work by investing more in refundable employment income tax credits.

**Early learning and child care**

Early childhood development programs are an effective tool for making an investment in a child's life. Results make a positive difference for decades to come.

When children and youth are living in poverty, there is a long-term cost. Early childhood development services such as Head Start are especially important to equip all children for school success. Full day kindergarten is especially beneficial for children from low income families. Last year, the province announced plans to establish full-day kindergarten. However this has not been followed by a firm commitment to do so next year, even in schools that have the space and a demonstrated need.
Achieving the Promise

Alberta lacks a comprehensive, non-profit childcare system that provides sufficient access to quality, affordable day care and after-school care.

On April 1, 2012, the household income threshold to receive the maximum child care subsidy increased from $35,000 to $50,000. As a result, an estimated 9,000 more families qualified for a full or partial subsidy. This increase had the additional beneficial effect of taking child care subsidy out of the $30,000 to $40,000 family income level at which many other social benefits are phased out.

There remain many areas of need for early childhood development. It is difficult for immigrant families with preschool children to be involved in official language learning programs when they have no connections to the community. Yet without language proficiency, their chances of getting a good paying job are low. As a result, they can get trapped in poverty. Those who need occasional child care and do not have safe places to leave children run into trouble due to the lack of drop-in spaces. Additionally, there are insufficient spaces and training to serve children with special needs.

Recreation, arts and culture

Access to recreation, arts and cultural opportunities is important for all ages and may be less available to families with insufficient incomes. This may be because of inadequate subsidies for programs, or parents busy with work or without transportation. Municipalities like Edmonton provide low-cost or free use of facilities, which experiences a large take up. Some organizations, such as the YMCA, generously provide access to their facilities. There are also popular initiatives to provide opportunities in the arts to children and adults. Opportunities to go to camps, especially those providing a chance to get away from urban settings, are oversubscribed and need expanding.

Seniors

The rapidly growing population of seniors and the anticipated high levels of need are a significant future challenge. Because of continued lower lifetime earnings compared to men, a disproportionate percentage of those experiencing poverty are women.

Significantly reducing seniors poverty is the greatest Canadian social policy achievement of the past 40 years.

A Snapshot of Current Activity: Poverty Reduction in Alberta’s Regional Centres

Action to End Poverty in Alberta has garnered support from 101 municipalities and organizations as well as 536 individuals who support a strategic approach to addressing the root causes of poverty. Highlights include:

- On March 22, 2012 a community engagement session by Vibrant Communities Canada and Vibrant Communities Calgary took place in Grande Prairie. This session was aimed at encouraging residents to get involved with understanding poverty in the city, looking into other community plans to reduce poverty, and to take the initial steps on how Grande Prairie should work towards reducing poverty.

- Collaboration of the City of Red Deer Social Planning Department, Action to End Poverty in Alberta, Central Alberta Poverty Reduction Alliance and Family and Community Support Services are working towards ending poverty in the Red Deer area. This includes hosting an upcoming workshop on communities reducing poverty, aimed at bringing together organizations and municipalities to gain understanding and support for the task of rural and urban areas to reduce poverty.

- Medicine Hat is starting to put together its poverty reduction, through a community member meeting titled ‘Moving from Charity to Investment: Reducing the Cost of Poverty in Medicine Hat’. It involves priorities of recreation for children and youth, affordable housing, a living wage for full-time workers, affordable and accessible transportation, and food security. The group plans to meet again in late 2012.

- The Community and Social Development Committee of Council of Lethbridge has begun work on its poverty reduction strategy called Vibrant Lethbridge. The council hopes for the collaboration and teamwork of various organizations in the city to ensure a shared vision of reducing poverty.

- Through the partnerships of The United Way, the Public and Catholic School Boards, Regional Municipality of Wood Buffalo, Northeast Alberta Child & Family Services, and Wood Buffalo Housing & Development Corporation, Fort McMurray has begun to formulate its poverty reduction strategy.

- The Town of Canmore Council is supportive of comprehensive action on poverty reduction involving the province, local government, and community organizations. Two multi-stakeholder gatherings have been held to formulate recommendations for addressing poverty in the Bow Valley.
This achievement is slowly being worn away. Sadly, this erosion is threatening the retirement security of today’s families. The federal government’s recent announcement that it will gradually increase the eligibility age of Old Age Security and the Guaranteed Income Supplement to age 67 threatens the future well-being of seniors with low and modest savings as they enter their retirement years. The most effective way to improve the retirement security of middle income earners is to enhance the Canada Pension Plan to cover a higher percentage of pre-retirement earnings.

Being able to live independently for as long as possible is both a socially healthy approach and fiscally sensible. Many communities are already experiencing a lack of services for seniors. The current government policy of privatizing and shifting costs for essentials like prescription drugs and long-term care will further increase problems for seniors on fixed incomes.

**Literacy**

Literacy (including numeracy and computer literacy) needs more attention at all age levels. Too many adults do not have strong enough literacy skills to secure and hold meaningful employment in a high-tech world. Post-secondary institutions and community organizations offer options to improve literacy. Some are designed to meet the needs of those with work or family commitments and unable to study full time or during normal business hours. Some employers also provide support as well. Public libraries are actively developing creative programs and welcoming facilities for all ages and income groups.

**Education**

Youth who do not complete high school or post-secondary education and training are at increased risk of experiencing poverty. While high school and post-secondary completion are steadily improving, Alberta lags behind most other provinces when it comes to students dropping out. Families may depend on the additional income of youth taking jobs, rather than continuing their education.

Alberta has one of the lowest post-secondary education enrollments. Among Canadian provinces, we also have above average tuition costs. Relying on loans makes it difficult for a low income person to access and complete post-secondary education. Alberta needs to expand bursaries and grants to improve accessibility to post-secondary for those with low or modest incomes. Doing so represents a wise investment in the province’s future since post-secondary graduates earn higher incomes and experience significantly lower unemployment.

**Supporting Vulnerable Workers**

Greater emphasis needs to be placed on skills training and securing jobs for groups under-represented in Alberta’s labour force especially Aboriginal people, recently arrived, and disabled Albertans. Despite the claims of severe labour shortages, the continued high unemployment and underemployment of these groups represents a tremendous waste of human capital.

Instead of hiring these underrepresented groups, some Alberta employers have been bringing in tens of thousands of temporary foreign workers mostly to fill low skill and semi-skilled positions. Reliance on temporary workers to fill low wage jobs serving fast food and cleaning motels should be reduced. Temporary foreign workers with a good employment history who wish to settle here need to be provided with a pathway to permanent residency.

A better balance between the rights of employers and employees is also needed in this province. Many labour disputes are caused by anti-union employers refusing to bargain a first collective agreement in good faith. First Contract Arbitration (FCA) is a fair way of ensuring that employees who have democratically decided to form a union are able to achieve a first collective agreement.

**A Snapshot of Current Activity: Calgary Poverty Reduction Initiative**

Calgary has long been a provincial leader in municipal poverty reduction efforts. Launched in January 2012 and led by the City and the local United Way, the Calgary Poverty Reduction Initiative is developing a long-term community-based strategy to significantly reduce poverty. This strategy will be in place by May 2013.

Among the accomplishments thus far:

- The appointment of a diverse group of Calgarians to serve as a stewardship group and the establishment of a small secretariat to coordinate the initiative’s development.
- The launching of an interactive website (enoughforall.ca) to facilitate involvement by Calgarians in developing the strategy.
- Two research briefs on poverty trends and low income workers in Calgary have been completed providing valuable background and benchmarks against which the success of the strategy can be measured. A research compendium is being compiled.
Achieving the Promise

Provincial Strategies Update

Besides Alberta, seven other provinces and one territory have initiated strategies to address poverty. These strategies vary in inception, development, utilized measures, and achievements to date.

**Manitoba** revised its poverty reduction strategy in April 2012. The revised strategy is based on safe, affordable housing in supportive communities; education, jobs and income support; strong, healthy families; and accessible, coordinated services (Government of Manitoba, 2012). Some areas of success that have resulted from this strategy will help low-income families with rent and children’s opticare, a minimum wage increase to $10 per hour, and the opening of 11,000 new child care spaces since 1999 (Government of Manitoba, 2012).

**Ontario** last reported on the progress of their strategy in 2011 and emphasized their focus on lifting children out of poverty. In order to achieve this, the province of Ontario has expanded full-day kindergarten that benefits 50,000 children, the Pathways to Education program increasing high school graduation rates as much as 61 per cent in some schools, and reducing the number of single parent families on social assistance to 30 per cent as a result of the Ontario Child Benefit (Government of Ontario, November 2011). From 2008 to 2010, the province has had a 6 per cent decrease in the number of children living in poverty (Creek, deGroot-Maggetti, & Lairdley, 2012).

**Québec** is continuing to work off the 2010-2015 *Combat to End Poverty Report*, with “the common goal of placing Québec among the industrialized states with the least number of individuals in situations of poverty by 2013,” (Gouvernement du Québec, 2010, p. 10). All measures of low-income in Québec have slowly dropped since 1990. However there is concern that recent decreases in poverty rates can be attributed to economic growth in the province. Therefore, more work needs to be done in Québec in order to reach the 2013 goal (Canada Without Poverty, 2012).

**Newfoundland and Labrador** continues to reduce poverty through their poverty reduction strategy implemented in 2005. Newfoundland and Labrador has made substantial progress in reducing poverty in the province. However, more work needs to take place in order to meet strategy goals by 2014 (Canada Without Poverty, 2012).

**New Brunswick** has not put out a new report or strategy. A renewed strategy for this province will take place every five years, with the next to be released in 2015 (Government of New Brunswick, 2009).

**Nova Scotia** increased the Nova Scotia Affordable Living Tax Credit and the Poverty Reduction Credit in the 2012 provincial budget in hopes of assisting low-income families. These changes went into affect on July 1st, 2012 and would aid 255,000 families between the two credit increases (Government of Nova Scotia, 2012). Currently, Nova Scotia still works through the 2009 poverty reduction strategy, *Preventing Poverty, Promoting Prosperity*.

Each province with a strategy to combat poverty has noted some success, but more work will need to be done by each province to meet their goals. Additional work is needed in areas of government accountability in Manitoba, Ontario, and New Brunswick, and more comprehensive planning in Nova Scotia (Canada Without Poverty, 2012). Prince Edward Island and Nunavut have just recently adopted poverty reduction strategies.

**Prince Edward Island** released its *Social Action Plan to Reduce Poverty* in 2012, with goals “to support people to move out of poverty by strengthening their educational and economic opportunities and their participation in the labor force” and “to protect and enhance the standard of living and quality of life for those unable to participate in the labor force for whatever reason” (Government of Prince Edward Island, 2012, p. 2). In order to achieve these goals, the government has been asked to prioritize the following areas of affordable housing, social assistance programs, accessibility for those with disabilities, early learning, improve literacy and support adult learning, training and work, increase minimum wage; index increases, change tax policies to assist low income Islanders, improve access to needed prescription medications, mental health and addictions services, and family supports (Government of Prince Edward Island, 2012).

**The Government of Nunavut** and Nunavut Tunngavik Incorporated (NTI) released their poverty reduction plan in November 2011, *The Makimaniq Plan*. The major themes identified by the report are collaboration and community participation, healing and wellbeing, education and skills development, food security, housing and income support, and community and economic development. One crucial aspect to this poverty reduction plan includes a partnership between the Government of Nunavut and NTI in order to address the root causes of poverty and coordinate their different governmental systems (Government of Nunavut and Nunavut Tunngavik Incorporated, 2011).
We Can Achieve the Promise of Eliminating Poverty in Alberta

Premier Redford’s promise that was made on April 11, 2012 to eliminate child poverty in five years and reduce poverty for everyone in ten years, is a bold commitment. Achieving this goal is not going to be easy, but if there is any place that can actually make this goal a reality, it is Alberta. We have caring spirit, incredible wealth, and amazing people who dedicate their lives to support all Albertans.

All Albertans will benefit if we implement a real comprehensive plan that will prevent, reduce and ultimately eliminate poverty. We will all enjoy living in stronger, healthier communities where children have the support and opportunities to reach their full potential. By implementing a real comprehensive plan we will also strengthen our overall economy and see reductions in expenditures that come from failing to address the root causes of poverty.

However, it remains to be seen what will come from the public consultations into the Government of Alberta’s Social Policy Framework and if the final plan that the government puts in place will achieve the important goal of poverty elimination. Many organizations and individuals have been very involved in the consultations and significant effort has been made by community groups to make sure that the voices of people who are or have lived in poverty are heard. We look forward to seeing if the input into the Social Policy Framework will reflect the many excellent recommendations provided to the government by this consultation process.

A Call to Action: Next Steps

Ultimately, our collective ability to achieve the promise of eliminating poverty in Alberta is going to depend upon a strong political will from all levels of government and society. We have seen in other jurisdictions great plans abandoned due to a lack of political support as governments change their priorities. Therefore, it is vitally important that Albertans continue advocating for real solutions that help us achieve the promise of eliminating poverty.

The problem is that while the Redford government made this promise, they also said that they would not be making any new investments to achieve it. This means that any new initiatives that are announced will require cuts in other areas.

We therefore call on Albertans to:

- Challenge our elected leaders to commit to a real comprehensive plan that will result in reducing the growing disparity in our province.
- Support the many organizations and people in our community who are working to address the root causes of poverty.
- Encourage others to speak out and become champions for achieving this promise.