

***No Safeguards:***  
**A Profile of Urban Poverty in Alberta**

Prepared by Community Services Consulting Ltd. for the  
Inter City Forum on Social Policy

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# INTRODUCTION

This document was prepared for the Inter-City Forum on Social Policy by Community Services Consulting Ltd. of Edmonton, Alberta during January–February 2000.

The **Inter-City Forum on Social Policy** (commonly referred to as the ICF) is an Alberta organization comprised of representatives of Alberta's 18 urban areas (15 cities and three other major urban areas):

- Calgary
- Edmonton
- Strathcona County
- Lethbridge
- Red Deer
- Medicine Hat
- St. Albert
- Wood Buffalo (Fort McMurray)
- Grande Prairie
- Lloydminster
- Airdrie
- Spruce Grove
- Leduc
- Camrose
- Fort Saskatchewan
- Wetaskiwin
- Drumheller (until recently a city)
- Cold Lake (Regional Municipality)

The ICF meets regularly during the year, and acts as an information-sharing and advocacy body for its member municipalities collectively and individually, on behalf of shared and province-wide social issues. It is chaired by one of the municipal representatives, and administrative support is provided by the municipality which the Chair represents. The President of the Family and Community Support Services Association of Alberta (FCSSAA) is a non-voting member.

*No Safeguards: A Profile of Urban Poverty in Alberta* presents the nature and characteristics of poverty among Albertans in Alberta's major urban centres. The document is about Albertans, was commissioned by an Alberta organization, and was prepared in Alberta. It was not done "by someone else" i.e. by some individual or organization not familiar with or not a part of Alberta.

This document builds on the following:

- a nation-wide study of poverty in Canada's large cities, funded by those cities, which included Calgary and Edmonton;
- a study of poverty in five mid-sized Alberta cities, commissioned and funded by those cities: Lethbridge, Red Deer, Medicine Hat, Wood Buffalo and Grande Prairie; and
- a study of poverty in the "remaining" eleven member municipalities of the ICF, commissioned and funded by those municipalities through the ICF.

Preparation of this document was overseen by a sub-committee of the ICF which met with the author and which also oversaw the study of the remaining eleven member municipalities. Although the document was prepared principally for the member municipalities of the ICF and for the ICF itself, the ICF offers the information and observations contained in the document to any individual or organization wanting or needing to know about urban poverty in Alberta, for the purposes of advocating for Albertans in poverty or for making decisions about steps to deal with issues of poverty.

February 2000  
Inter-City Forum on Social Policy

## EXECUTIVE SUMMARY

***No Safeguards: A Profile of Urban Poverty in Alberta*** uses census data for 1996 and Statistics Canada's Low Income Cut Off for 1995 to present a snapshot of poverty in 18 urban municipalities in Alberta. The paper was commissioned by the Inter City Forum on Social Policy which represents those municipalities.

The Low Income Cut Off or LICO is used by Statistics Canada to identify families and individuals living in what it calls "straitened circumstances". LICOs are derived from the average percent of family income spent on food, shelter and clothing. LICOs differ by household and population size of an area, with the principle being the larger the urban centre, the higher the basic costs. Although Statistics Canada does not claim to measure poverty with its LICOs, social policy analysts and others concerned with the issue typically refer to the LICO as **the poverty line**. LICOs are convenient because consistent and reliable data is available using this measure.

The paper attempts to address some of the myths about poverty, principally that the problem does not exist in Alberta, that people are poor because they do not work and that poverty is confined to large urban centres. It does this by presenting and describing 22 tables of statistics for the factors frequently associated with poverty: being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family.

**Approximately one in five Albertans is poor**, a rate that is similar to the one for Canada. There are wide variations across the province however. As expected, the greatest rates of poverty are in Edmonton and Calgary, but Wetaskiwin, Red Deer and Lethbridge also have rates above the provincial average.

**Children, youth and the very old are more likely to be poor**. In Alberta urban centres, the highest rates of poverty are among children 14 years and younger, people aged 15 to 24 years, and seniors aged 75 and older. Some 96,230 children aged 14 years and under live in poverty in the selected communities. In Calgary, Lethbridge and Red Deer, close to one in four children this age lives in poverty. The highest rate is 29% in Wetaskiwin.

**There are gender differences**. On average, the poverty rate for women is 20%, slightly higher than the 17% rate for men. Among people 75 years and older, the poverty rate for women is 17% higher than for men.

**Lone-parent families are more likely to be poor than are other types of families**. Almost one-half of all lone-parent families with children under 18 years are living below the LICO, a rate that far exceeds those for other families. The highest rate of poverty among lone-parent families is in Lloydminster (66%) and the lowest is in Spruce Grove (26%). Nevertheless, many two-parent families also live in poverty in Alberta. For example, in Lethbridge, there are twice as many two-parent families among the poor as there are single-parent families (1,625 versus 820).



**Members of our Aboriginal communities and persons with a disability are more likely to be poor**, partly because they have encountered barriers in our education and employment systems. Edmonton has the largest population of Aboriginal people and the highest rate of poverty among those people (62%). By comparison, the poverty rates for Aboriginal people living in Airdrie, Strathcona County, Cold Lake and Leduc are much lower, ranging from 10% to 13% (although the absolute numbers are much smaller too).

Almost one in ten Albertans reported some type of a disability in 1996 and almost one-third of them were living below the LICO. Not surprisingly, Edmonton and Calgary have the largest populations of persons with disabilities; however, Red Deer and Wetaskiwin have the highest rates of poverty among this population (35% and 32% respectively). Strathcona County and Spruce Grove have the lowest rates at 10% and 12 % respectively.

**There is a direct link between level of education and poverty.** One in five Albertans (21%) with less than a high school certificate lives below the LICO. By comparison, only 12% of Alberta residents with a post-secondary certificate are poor. Calgary has the largest number of persons aged 15 years and older with less than a high school certificate; but, at 30%, Edmonton has the highest rate of poverty among this group. The next highest rate is in Wetaskiwin (27%).

**Being employed helps in reducing poverty but is not necessarily a safeguard against it.** Over three-quarters of the 106,610 poor families in Alberta (77%) were employed for at least part of the 1995 year. Just under one-half worked full-time (44%). These are the "working poor" who earn the minimum wage or close to it.

Twenty-nine percent, or 30,720 of these 106,610 families were lone-parent families with children under 18. Of these 30,720 families, about one-quarter (24%) worked full-time and 46% worked part-time. The poverty rate increases enormously the less these families work: from 26% where the parent works full-time, to 66% where he or she works part-time, to 90% where the parent does not work at all. A poor person is more likely to work part-time than full-time. On average, **one in five poor Albertans works part-time.** What we do not know is the number working more than one part-time job. Most people working part-time are not eligible for benefits such as a health or dental plan and Employment Insurance.

Another way to learn about the distribution of poor families is by looking at the number of earners in a household. One would expect to find the rate of poverty decreasing as more people in a household work. This is not necessarily the case. On average, **the greatest number of poor come from households where there is one earner.** This relationship holds true for all selected communities except Airdrie where there are slightly more poor among households with no earners. In other words, a single earner cannot necessarily keep a family above the poverty line.

Being poor means making choices – difficult choices because the money is rarely enough to meet daily needs. **Under Alberta's Supports for Independence allowance, a single parent with two children ages 3 and 7 receives \$11,852 a year.** The same parent earning Alberta's minimum wage for a 37-hour week would make \$15,220 (including GST rebate and government benefits). Both of these incomes are well below any of the urban LICO rates for a three-person household. The lowest LICO for a household of three is \$20,790, the rate for an urban centre with a population of 30,000 or under.

The parent on SFI would be at home to care for his or her children, but the parent on earned income would need child care, possibly an additional expense. However, after paying shelter costs (rent and utilities), which for the poor in Alberta average \$555 a month, **the parent on the minimum wage income would be left with \$713.33 a month for food, clothing and all other expenses.**

Poor people are more likely to rent, and **over one-third (36%) of all renters in the province are poor**. Renters pay proportionately more of their income on shelter than do home owners. About one in three Alberta families spends more than 30% of its income on shelter. That rate jumps to almost three out of four among poor families.

**There was a gradual increase in the number of poor families between 1991 and 1996**, with the average increase being 1%. Wetaskiwin, St. Albert and Fort Saskatchewan registered the highest increases of about 3% each. Cold Lake and Grand Prairie saw decreases in the number of poor families of 2% and 1.5% respectively.

Individuals and community groups can do something to alleviate the effect of poverty; however, Albertans can be more effective working together on the problem. In choosing an action, **we must recognize the difference between measures that meet an immediate need**, such as for food or clothing, **and activities that will reduce the level of poverty permanently**. The 18 municipalities commissioning this paper have introduced a number of measures to increase awareness or address the immediate needs of poor people. Potential strategies directed towards the long-term include learning more about poverty, increasing public awareness of the problem, phasing out user-pay policies with a view to increasing access to services, and working with the provincial government to bring about changes to policies that affect the poor.

# ***No Safeguards:***

## **A Profile of Urban Poverty in Alberta**

This is a paper about poverty. Poverty in Alberta. In such a rich province? **How big a problem can this be?** We all see reports of hard luck and poverty: a father loses his job and struggles to feed his family, a woman with cerebral palsy can't work, floods leave pensioners destitute. Such cases are deserving of public assistance, and we are generous in our charity towards them. But in Alberta, we like to think these are exceptions. This is an internationally respected democracy, after all, a land of equal opportunity. We tend to associate poverty with laziness or another moral failing. If a guy's poor, well, he probably isn't trying hard enough.

But **are we fair in our thinking?** Are we even accurate? Late in 1999, the Inter City Forum on Social Policy, whose members represent Alberta's urban municipalities, requested census data on urban poverty. This report uses that data to present a snapshot of poverty in 18 selected communities. The results are surprising. Poverty isn't just associated with bad luck or laziness. **In seven of every ten families defined as poor, at least one person works.** And the problem may be bigger than we thought. One in five of the communities' 1.8 million residents lives in poverty. One-third of them are children 14 years and under.

**What do we know about poverty?** Poverty in Canada is gradually increasing, and more people are beginning to question why. We do know that poverty is associated with certain factors – being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family. As these factors occur in combination, they increase the likelihood of being poor.

With the purpose of furthering our knowledge and understanding, **this paper uses these factors to examine the frequency and depth of poverty in Alberta and the 18 communities.** Using Statistics Canada's Low Income Cut Off as a way of measuring poverty, the paper looks at changes in the rates of poverty and where they occur. It relates living costs to low income. It examines whether poverty is increasing or decreasing. In the last section, the paper suggests what we can do to address poverty and its impacts.

**What do we mean by poverty?** Third world countries are often cited as the gold standard of poverty. That is where "real poverty" is found. In Canada, can anyone who has housing, heat, a fridge, a stove – or even a TV and phone – be considered poor? The simple answer is yes, because poverty is more than a lack of material things. Poverty has physical, psychological and emotional components. Any Albertan who has to keep a family on income from a minimum wage job could talk about the effects of poverty. And poverty is relative. The poor of one society can only be compared to the average of that society. In the words of Peter Townsend, a British expert on poverty:

Individuals, families and groups in the population can be said to be **in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions which are customary**, or at least widely encouraged or approved, in the societies to which they belong.<sup>1</sup>

Compared to other Canadians, our poor are dependent on the benevolence of others, including governments. They lack choices. In many cases, they lack hope. Being at the bottom of society has ramifications. In a society based on exchange – work for wages, money for goods and services – the poor have nothing to exchange but their self-respect.

**What are the impacts?** Most of us have been hard up at some time, so it isn't difficult to imagine the stress of being poor. What's harder to understand is a life where the worry about making ends meet goes on year after year. When lives become entrenched in poverty, getting out is very tough indeed.

Poor people do not live scaled-down versions of a middle class life. Out of necessity, they have markedly different lives. The poorer a family becomes, the more likely it is to be misunderstood, rejected and excluded by the many. Yet, **as it descends into poverty, a family becomes more dependent on the many**: neighbours, employers, teachers, government workers, strangers. The poor come to rely on the kindness, good humour, and sense of justice of others. They also become dependent on governments which presume to interfere with their lives in exchange for minimal benefits. Is it any wonder that the poor begin to adopt the very characteristics society assigns them: hostility, a lack of will, a reluctance to try hard?

Children of a poor family are disadvantaged. A baby born to a poor mother is more likely to be of low birth weight, a condition linked to illness and physical problems in later life. Poor children often do not eat nutritiously or sufficiently, again the cause of health problems. If their parents are pre-occupied with worry, these children may miss out on the attention and stimulation needed to develop learning skills. Parents' feelings of insecurity may be transferred to the children. Certainly, **a child's participation in school, social and sporting activities will be restricted by the family's lack of resources**. On top of this, children may carry the stigma of poverty, affecting their confidence and self-esteem for much of their life.

**Why should we care?** Most poor people want to live like everyone else: as productive members of society, in control of their lives, confident of meeting their basic needs, respected by their families and neighbours. We would all be richer if this were possible. When preventable sickness and ill health consume public dollars, when children and adults do not achieve their potential, when social justice is denied, we pay a price. We should care about the poor because to do so is democratic, morally responsible and human. **As long as there is poverty, we are all diminished**.

Caring can take the form of learning more about the causes of poverty and its impacts, of becoming more aware of the poor around us, and of identifying ways to reduce the problem. One place to begin is with this paper examining poverty in Alberta.

## **How do we measure poverty?**

We do not have a single, generally accepted measure of poverty in Canada. Part of the problem is agreeing on what is essential or adequate. Various measures of poverty are used, some based on spending power, others on income.

For 25 years Statistics Canada has used a periodic survey of Canadians to determine what percent of its gross income the average family spends on food, shelter and clothing. The agency then arbitrarily increases this

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<sup>1</sup> Townsend, Peter, *Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living* (London, 1979). p. 31.

percentage by 20%, reasoning that any family spending this higher percentage of its income on necessities would be living in "straitened circumstances." With this information, Statistics Canada annually derives the **low income cut-off or LICO**.

LICOs differ according to household size and the population size of an area, with the underlying principle being the larger the urban centre, the more expensive food, clothing and shelter become. **LICO refers to income before tax from salaries, investments and transfer payments** such as Canada Pension (CPP). Each December, the LICO is adjusted to reflect that year's changes in the cost of living.

**Statistics Canada does not claim to measure poverty with its LICOs, and is always careful to refer to people with incomes below the LICO as living in "straitened circumstances."** However, as the Canadian Council of Social Development explains in its report on poverty in selected Alberta communities,

most social policy analysts argue that living in straitened circumstances in a wealthy country like Canada constitutes relative income poverty. We agree with this perspective and as such, we have treated LICO as poverty lines in this report.<sup>2</sup>

LICO is also convenient because consistent and reliable data from Statistics Canada is available using this measure. Therefore the 1995 LICO is used throughout this document.

There are limitations to the use of Statistics Canada data, however. Although the LICO distinguishes by population size, it does not take into consideration the economy of an area. This is a limitation, since the local economy affects employment opportunities and cost of living, both of which have a large impact on poverty levels. Many poor are dependent on unskilled work, which tends to be in greater abundance in a booming economy. If housing is limited, forcing shelter costs up, the number of poor will increase. Both situations frequently occur in Alberta.

Another limitation is that Statistics Canada data does not include people with no fixed residence. Street people or the homeless are not included in any statistics. We simply do not know how many there are, and experts continue to debate their numbers.

In providing data for this report, the CCSD applied LICOs as follows: Calgary, Edmonton, Strathcona County, St. Albert, Airdrie, Spruce Grove, Leduc and Fort Saskatchewan are considered in urban areas with populations of 500,000 and over. Lethbridge, Red Deer, Medicine Hat, Wood Buffalo, Grande Prairie and Cold Lake are considered in urban areas with populations 30,000 to 99,999. Lloydminster, Camrose, Wetaskiwin and Drumheller are considered in urban areas with less than 30,000 in population.<sup>3</sup>

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<sup>2</sup> Lee, Kevin, K. and Gibson-Kierstead, Angela, *Summary Statistics on Poverty in Selected Alberta Communities* (Ottawa 2000). p.1.

<sup>3</sup> Ibid., pp.1-2.

The 1995 LICO for a family of four living in Red Deer is \$27,046. Using LICO as the poverty line, any family of this size living in the city on this annual income or a lower one would be considered poor. LICOs for other families and locations can be seen in Table 1. The 1998 LICO rates are provided for comparison.

**Table 1: Low Income Cut Off Rates for 1995 and 1998**

**1995**

Household Size	Size of Area of Residence				Rural Areas
	Urban Area by Population				
	500,000 and over	100,000 to 499,999	30,000 to 99,999	Less than 30,000*	
	\$	\$	\$	\$	\$
1 person	16,874	14,473	14,372	13,373	11,661
2 persons	21,092	18,091	17,965	16,716	14,576
3 persons	26,232	22,500	22,343	20,790	18,129
4 persons	31,753	27,235	27,046	25,167	21,944
5 persons	35,494	30,445	30,233	28,132	24,530
6 persons	39,236	33,654	33,420	31,096	27,116
7+ persons	42,978	36,864	36,607	34,061	29,702

\* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

**1998**

Household Size	Size of Area of Residence				Rural Areas
	Urban Area by Population				
	500,000 and over	100,000 to 499,999	30,000 to 99,999	Less than 30,000*	
	\$	\$	\$	\$	\$
1 person	17,571	15,070	14,965	13,924	12,142
2 persons	21,962	18,837	18,706	17,405	15,178
3 persons	27,315	23,429	23,264	21,647	18,877
4 persons	33,063	28,359	28,162	26,205	22,849
5 persons	36,958	31,701	31,481	29,293	25,642
6 persons	40,855	35,043	34,798	32,379	28,235
7+ persons	44,751	38,385	38,117	35,467	30,928

\* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

## How many people are poor?

As Table 2 shows, the percentage of people living in poverty in Alberta, is similar to the national rate: **approximately one in five people are poor**. There are wide variations within Alberta, however.

We tend to think of poverty as occurring in larger cities, and, indeed, the highest percentages or rates of poverty are in Edmonton and Calgary. However, Wetaskiwin, Red Deer and Lethbridge are also higher than the provincial average of 18%. By comparison, Cold Lake and Strathcona County have lower rates of poverty. As we discuss next, poverty is associated with a number of factors such as employment, age, education and family status. An examination of these may help to explain variations in poverty rates across the province.

**Table 2: Population by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996** (based on 1995 income)

	Number of People		
	Total	Total Poor	% Poor
Canada	28,011,400	5,514,200	20
Alberta	2,612,240	481,520	18
Calgary	760,230	156,380	21
Edmonton	606,660	157,990	26
Strathcona County	63,550	4,340	7
Lethbridge	61,880	11,730	19
Red Deer	58,720	11,650	20
Medicine Hat	55,550	9,500	17
St. Albert	46,530	4,680	10
Wood Buffalo	33,000	3,970	12
Grande Prairie	30,650	4,130	13
Lloydminster	18,640	2,900	16
Airdrie	15,780	1,400	9
Spruce Grove	14,240	1,210	8
Leduc	14,040	1,380	10
Camrose	13,240	2,060	16
Fort Saskatchewan	12,070	1,680	14
Wetaskiwin	10,630	2,360	22
Drumheller	5,790	670	11
Cold Lake	3,990	220	6

## Who is poor?

Being employed is probably the surest safeguard against poverty, but it is no guarantee. In Alberta, families where both parents are employed can be among the "working poor" if the work is part-time or pays a minimum wage. Part-time and minimum wage positions are usually filled by the young, the uneducated, mothers with young children or new immigrants with limited English. (Incomes are discussed later in this paper.)

Poverty is rarely the result of one factor. Studies have found that, in Canada, **poverty is more likely to occur with a combination of factors**: being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family.

Compared to the general population, children and seniors are more likely to be poor, as are people with less than a high school education. Lone-parent families are more often poor, particularly when the parent is a mother. The rate of poverty is higher among the Aboriginal and disabled communities. In this section, we look at each of those factors to try to understand who is poor in Alberta.

### Age and Gender

Children, youth and the very old are more likely to be poor. As Table 3 shows, the highest percentages of poverty are among children 14 years and younger, people aged 15 to 24 years and seniors aged 75 years and older. The breakdown by gender shows that, on average, the poverty rate for women is 20% compared to 17% for men. The very highest rates are among women aged 15 to 24 years and 75 years and older. The greatest difference by gender is among people 75 and over where the poverty rate is 17% higher for women than men.

**Table 3: Population by Age, Gender and Poverty Status for Alberta, 1996**

		Number of People		
		Total	Total Poor	% Poor
<b>Total</b>	All ages	2,612,240	481,520	18
	0 to 14 years	593,360	129,150	22
	15 to 24 years	365,170	89,950	25
	25 to 34 years	425,920	82,140	19
	35 to 44 years	471,470	68,470	15
	45 to 54 years	314,260	39,550	13
	55 to 64 years	199,010	33,020	17
	65 to 74 years	152,090	21,050	14
	75+ years	90,990	18,200	20
<b>Male</b>	All ages	1,306,260	222,410	17
	0 to 14 years	304,370	65,710	22
	15 to 24 years	186,030	41,730	22
	25 to 34 years	211,300	37,620	18
	35 to 44 years	237,490	31,650	13
	45 to 54 years	157,930	18,530	12
	55 to 64 years	100,020	15,570	16
	65 to 74 years	72,110	7,970	11
	75+ years	37,020	3,650	10
<b>Female</b>	All ages	1,305,980	259,110	20
	0 to 14 years	289,000	63,450	22
	15 to 24 years	179,140	48,220	27
	25 to 34 years	214,620	44,530	21
	35 to 44 years	233,970	36,830	16
	45 to 54 years	156,330	21,020	13
	55 to 64 years	98,990	17,460	18
	65 to 74 years	79,970	13,080	16
	75+ years	53,970	14,550	27

Some rates are easier to explain than others. People aged 15 to 24 are usually still in school or college, sometimes with part-time or summer jobs. They may be poor temporarily, but their prospects are good. Many women aged 75 and over will have never worked outside the home, so do not qualify for a pension. Since women typically outlive men by ten years, they are probably widows living on a fixed income from Old Age Security and the Guaranteed Income Supplement. We can assume that some women aged 15 to 24 are mothers with young children working part-time. Some of them may also be single parents.



But how do we explain the high rate of poverty among children 14 years and under? How else can a child be poor except as the product of parents who are poor? It is worth looking more closely at this group.

### Distribution of Poor Children

Some 96,230 children aged 0 to 14 years live in poverty in the selected communities. In Calgary, almost one in four children this age lives in poverty. In Edmonton, the number is closer to one in three, or 40,400 children. Despite their smaller populations, the percentages of poor children in Lethbridge, Red Deer and Medicine Hat are comparable to Calgary's. **There are 3,200 poor children under age 15 in Red Deer.** Wetaskiwin stands out among the smallest municipalities with a child poverty rate of 29%. Cold Lake has the lowest rate: 4%.

Table 4 shows the distribution.

**Table 4: Children by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of Children 0 to 14 years		
	Total	Total Poor	% Poor
Canada	5,737,020	1,344,530	23
Alberta	593,360	129,150	22
Calgary	161,720	38,410	24
Edmonton	125,830	40,400	32
Strathcona County	15,490	1,330	9
Lethbridge	12,320	2,790	23
Red Deer	13,660	3,200	23
Medicine Hat	9,400	2,110	22
St. Albert	11,230	1,310	12
Wood Buffalo	8,650	1,290	15
Grande Prairie	7,560	1,140	15
Lloydminster	4,850	1,030	21
Airdrie	4,780	460	10
Spruce Grove	3,630	400	11
Leduc	3,340	400	12
Camrose	2,720	510	19
Fort Saskatchewan	2,960	510	17
Wetaskiwin	2,410	710	29
Drumheller	1,230	170	14
Cold Lake	1,230	60	4

### Lone-parent Families

The high rate of poverty among children becomes more clear as we examine other factors. Lone-parent status is one factor. As Table 5 shows, half of all lone-parent families with children under 18 are living on or below the LICO – a rate that far exceeds those for other types of economic families. Nevertheless, looking at numbers rather than percentages, we see that 40,870 two-parent families with children under 18 are also poor. Not all lone-parent families are poor and not all poor families are lone-parent. Table 5 also reflects the high rate of poverty among unattached women, many of whom will be the seniors.

**Table 5: Households by Type and Poverty Status for Alberta, 1996**

	Number of Families		% Poor
	Total	Total Poor	
Total: Economic Families	715,390	106,610	15
Couples with no children under 18	312,560	25,910	8
Couples with children under 18	299,990	40,870	14
Lone-parent families with children under 18	59,840	30,720	51
All other families	43,010	9,120	21
Total: Unattached individuals	331,050	129,790	39
Male	170,110	58,850	35
Female	160,950	70,940	44

Note: Economic family refers to a group of two or more persons living in the same dwelling who are related to each other by blood, marriage, common-law or adoption. Unattached individual refers to a household member who is not a member of an economic family. A person living alone is an unattached individual.

### **Distribution of Lone-parent Families**

The distribution of lone-parent families tells us more about poverty in the selected communities. Outside of Edmonton and Calgary, Red Deer has the largest number of lone-parent families, 2,100. While the rate of poverty among lone-parent families in Red Deer is above the provincial average, it is not the highest. Lloydminster, Edmonton, Medicine Hat and Wetaskiwin have higher rates, with Lloydminster's rate of 66% being the highest of all the communities selected. Spruce Grove's rate of 26% is considerably lower than the others. Table 6 shows all lone-parent families and those living in poverty in the selected communities.

**Table 6: Lone-Parent Economic Families by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of Families		
	Total	Total Poor	% Poor
Canada	697,260	383,070	55
Alberta	59,840	30,720	51
Calgary	18,010	9,010	50
Edmonton	18,060	10,980	61
Strathcona County	950	330	34
Lethbridge	1,520	820	54
Red Deer	2,100	1,170	55
Medicine Hat	1,110	620	56
St. Albert	900	310	35
Wood Buffalo	890	420	47
Grande Prairie	800	380	47
Lloydminster	650	430	66
Airdrie	350	120	34
Spruce Grove	310	80	26
Leduc	410	160	39
Camrose	320	170	52
Fort Saskatchewan	270	120	45
Wetaskiwin	300	180	58
Drumheller	160	80	48
Cold Lake	70	30	38

### Distribution of Two-parent Families

Although the rate of poverty among lone-parent families is much higher than among couples with children under 18, the latter accounts for larger numbers of poor. For example, when we examine the number of all families with children under 18 living in poverty in Alberta, we see there are 40,870 such two-parent families compared with 30,720 lone-parent families. **The number of two-parent families in poverty is higher in many of the larger centres.** One notable exception is Red Deer where 1,170 lone-parent families live in poverty compared with 700 two-parent families who are poor. The smaller urban centres also tend to have larger numbers of lone-parent families than two-parent families living in poverty.

The rate of poverty among two-parent families is highest in Edmonton, Calgary, and Wetaskiwin, and lowest in Cold Lake. Table 7 shows the distribution.

**Table 7: Two-Parent Economic Families with Children under 18 by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of Families		
	Total	Total Poor	% Poor
Canada	3,014,955	428,245	14
Alberta	299,990	40,870	14
Calgary	83,550	13,160	16
Edmonton	61,170	12,250	20
Strathcona County	8,745	455	5
Lethbridge	6,265	850	14
Red Deer	6,365	700	11
Medicine Hat	4,875	575	12
St. Albert	6,255	410	7
Wood Buffalo	4,725	315	7
Grande Prairie	3,790	260	7
Lloydminster	2,250	165	7
Airdrie	2,490	125	5
Spruce Grove	1,985	140	7
Leduc	1,725	95	6
Camrose	1,350	120	9
Fort Saskatchewan	1,525	130	9
Wetaskiwin	1,115	180	16
Drumheller	625	40	6
Cold Lake	625	10	2

### Distribution of Aboriginal Population

Members of our Aboriginal communities are more likely to be poor than other Canadians, partly because they have encountered barriers in our education and employment systems. **Edmonton has both the largest population of Aboriginal people, 24,110 and the highest rate of poverty: 62% or 14,850 people living below the LICO.** At 59%, Lethbridge's rate is not far behind (although the number is very much smaller). Both cities are well above the provincial average of 44%. By comparison, Airdrie, Strathcona County, Cold Lake and Leduc's rates are low, ranging from 10% to 13%.

Compared to the poverty rate for lone-parent families as shown in the previous table, the rate for Aboriginal people is lower in every community except Edmonton, Calgary and Lethbridge. The absolute numbers are also lower. Being of Aboriginal status is less likely to indicate poverty than is being a lone-parent in these selected communities. (Of course, some of these families will be both Aboriginal and lone-parent.) The findings appear in Table 8.

**Table 8: Aboriginal Population by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of People		
	Total	Total Poor	% Poor
Canada	495,330	215,060	43
Alberta	88,940	39,070	44
Calgary	13,800	6,980	51
Edmonton	24,110	14,850	62
Strathcona County	760	80	11
Lethbridge	1,690	990	59
Red Deer	1,970	1,050	53
Medicine Hat	730	310	42
St. Albert	950	190	20
Wood Buffalo	3,110	760	24
Grande Prairie	1,840	590	32
Lloydminster	1,630	740	45
Airdrie	240	30	10
Spruce Grove	290	60	19
Leduc	400	50	13
Camrose	310	110	34
Fort Saskatchewan	310	120	37
Wetaskiwin	720	290	41
Drumheller	150	30	17
Cold Lake	210	30	12

### Distribution of Persons with a Disability

Canadians with a disability are more likely to be poor than are other Canadians. As with Aboriginal people, many persons with a disability have encountered barriers in the education system and the work place. Some are also limited in the type of work they can do. People with severe physical or mental disabilities often need devices or personal aides to help them function in their daily lives. Adaptations may have to be made to their homes. Any of these necessities can prove expensive. As a result, many people with disabilities live in "straitened circumstances." The most severely disabled will receive an allowance from the Alberta government under Assured Income for the Severely Handicapped. Opportunities to work, participate in other activities or obtain aides to daily living tend to be greater in larger cities.

**Almost one in ten Albertans reported some type of a disability in 1996, and almost one-third of them were living below the LICO.** Edmonton and Calgary have the largest populations of persons with disabilities, and, with Red Deer and Wetaskiwin, the highest rates of poverty among this population. Strathcona County and Spruce Grove have the lowest rates at 10% and 12% respectively.

**Table 9: Persons with Disabilities by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of People		
	Total	Total Poor	% Poor
Canada	2,789,900	858,000	31
Alberta	254,470	74,510	29
Calgary	69,080	23,380	34
Edmonton	67,650	26,300	39
Strathcona County	4,220	430	10
Lethbridge	7,270	1,900	26
Red Deer	6,190	2,150	35
Medicine Hat	5,670	1,560	27
St. Albert	2,960	580	20
Wood Buffalo	1,810	420	23
Grande Prairie	2,520	710	28
Lloydminster	1,700	440	26
Airdrie	1,190	210	18
Spruce Grove	1,170	150	12
Leduc	1,320	240	18
Camrose	1,850	400	22
Fort Saskatchewan	1,120	300	27
Wetaskiwin	1,490	480	32
Drumheller	580	150	25
Cold Lake	170	30	18

### Distribution of Unattached Individuals

Statistics Canada uses the term, unattached individuals, to refer to persons who are not a member of an economic family. Young people sharing accommodation would be considered unattached. A person living alone is always unattached regardless of marital status.

Unattached individuals among the poor could be students or young people earning low wages. However, in the smaller urban communities, particularly where one would not expect to see a student population, **they are more likely to be persons over the age of 65**. As Table 3 showed, 34% of all poor fall into this age group. A larger proportion of these seniors will be women. Table 10 shows the distribution of unattached individuals.

**Table 10: Unattached Individuals by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of People		
	Total	Total Poor	% Poor
Canada	3,584,510	1,511,570	42
Alberta	331,050	129,790	39
Calgary	112,400	46,970	42
Edmonton	95,950	44,900	47
Strathcona County	3,070	760	25
Lethbridge	9,210	3,930	43
Red Deer	9,050	3,710	41
Medicine Hat	6,260	2,400	38
St. Albert	2,800	980	35
Wood Buffalo	2,970	900	30
Grande Prairie	4,210	1,420	34
Lloydminster	2,210	650	29
Airdrie	1,010	240	24
Spruce Grove	910	220	24
Leduc	1,150	280	24
Camrose	2,070	810	39
Fort Saskatchewan	950	370	39
Wetaskiwin	1,610	650	40
Drumheller	920	230	25
Cold Lake	310	40	13

### Level of Education

There is a direct link between level of education and poverty. Albertans with less than a high school certificate are more likely to be poor because they tend to get stuck in low paying, dead-end jobs and have limited opportunities to improve their situation. Low paying employment is often seasonal or sensitive to the ups and downs of the local economy.

**One in five Albertans with less than a high school certificate (21%) lives below the LICO.** By comparison, only 12% of those with a post-secondary certificate are poor.

**Table 11: Population Aged 15 Years and Older, by Highest Education Certificate and Poverty Status by Canada and Alberta, 1996**

	Number of People		
	Total	Total Poor	% Poor
Canada			
Total population	22,274,340	4,169,670	19
Post-secondary certificate	7,045,040	872,340	12
Secondary certificate	5,175,880	922,880	18
Less than secondary certificate	10,053,410	2,374,450	24
Alberta			
Total population	2,018,880	352,370	17
Post-secondary certificate	635,240	75,910	12
Secondary certificate	432,700	76,410	18
Less than secondary certificate	950,940	200,050	21



### Distribution by High School Certificate

Calgary has the largest number of persons 15 years and older with less than a high school certificate; but at 30% Edmonton has the highest rate of poverty among this group. The next highest rate is in Wetaskiwin (27%). In other locations, such as Cold Lake, Spruce Grove and Leduc, the 1996 rates were much lower than the provincial average, possibly a reflection of a healthy local economy with opportunities for unskilled workers.

**Table 12: Population Aged 15 years and Older with Less than a High School Certificate by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of People		
	Total	Total Poor	% Poor
Canada	10,053,410	2,374,450	24
Alberta	950,940	200,050	21
Calgary	236,670	59,830	25
Edmonton	218,750	66,350	30
Strathcona County	18,910	1,640	9
Lethbridge	17,580	3,820	22
Red Deer	17,560	4,350	25
Medicine Hat	16,510	3,450	21
St. Albert	12,850	1,690	13
Wood Buffalo	7,960	1,350	17
Grande Prairie	8,620	1,620	19
Lloydminster	6,040	1,120	18
Airdrie	4,990	620	12
Spruce Grove	5,270	530	10
Leduc	5,600	630	11
Camrose	4,580	780	17
Fort Saskatchewan	4,130	720	17
Wetaskiwin	3,820	1,040	27
Drumheller	1,920	290	15
Cold Lake	710	60	8

## Annual Employment

**Employment helps in reducing poverty but is not necessarily a safeguard against it.** Over three-quarters of the 106,610 poor families in Alberta (77%) were employed for at least part of the 1995 year. Just under one-half worked full-time (44%). These are the "working poor" who earn the minimum wage or close to it.

Of the 106,610 poor families in Alberta in 1996, 29% were lone-parent families with children under 18. (Refer to Table 4.) Of these 30,720 families, about one-quarter (24%) worked full-time and 46% worked part-time. Thirty percent did not work at all. As Table 13 shows, the poverty rate increases enormously among these families the less they work – from 26% where the parent works full-time, to 66% where he or she works part-time, to 90% where the parent does not work at all.

Two-parent couples with children under 18 also enter the ranks of the poor as their employment rate drops. The poverty rate for these families is 9% for full-time employment, 43% for part-time employment and 72% for no employment.

The poverty rate among all Alberta families with no employment in 1995 was 26%. Among unattached individuals with no employment, the rate was 53%.

**Table 13: Households by Type, Annual Employment and Poverty Status, Alberta, 1996**

	Full-time Employment Number		Part-time Employment Number		No Employment Number	
	Total	Poor	Total	Poor	Total	Poor
	<b>Total: Economic Families</b>	528,040	46,860	91,110	34,930	96,240
Couples with no children under 18	212,200	11,900	32,180	5,840	68,190	8,170
Couples with children under 18	266,420	25,020	28,600	12,240	4,970	3,600
Lone-parent families with children under 18	28,150	7,380	21,500	14,200	10,190	9,140
All other families	21,280	2,570	8,840	2,640	12,900	3,920
<b>Total: Unattached individuals</b>	131,510	26,360	96,950	49,370	102,600	54,070
Male	76,430	13,100	60,340	27,160	33,340	18,600
Female	55,080	13,260	36,610	22,220	69,260	35,470

Note: Full-time employment refers to 49 combined weeks of work in the paid labour force in 1995 by all household member. Part-time employment refers to less than this. No employment refers to no weeks of work in 1995.

	% Poor		
	Full-time Employment	Part-time Employment	No Employment
Total: Economic Families	9	38	26
Couples with no children under 18	6	18	12
Couples with children under 18	9	43	72
Lone-parent families with children under 18	26	66	90
All other families	12	30	30
Total: Unattached individuals	20	51	53
Male	17	45	56
Female	24	61	51

### Distribution by Employment

The impact of employment on poverty is more pronounced in Table 14 which looks at the differences between full and part-time employment and no employment for selected communities. **The poverty rate ranges from 2% in Cold Lake to 10% in Edmonton among people working full-time during 1995.** It jumps to 12% in Cold Lake and 37% in Edmonton among people with no employment that year.

**Table 14: Population Aged 15 years and Older by Annual Employment and Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996**

	Full-time Employment			Part-time Employment			No Employment		
	Total Number	Number of Poor	% Poor	Total Number	Number of Poor	% Poor	Total Number	Number of Poor	% Poor
Canada	7,578,420	486,640	6	7,264,510	1,342,135	18	7,431,410	2,340,900	32
Alberta	770,510	60,250	8	731,105	152,075	21	517,270	139,940	27
Calgary	238,770	19,900	8	213,060	52,275	24	146,680	45,790	31
Edmonton	170,230	16,520	10	169,455	48,395	28	141,140	52,680	37
Strathcona County	20,790	680	3	17,550	1,185	7	9,710	1,140	12
Lethbridge	16,530	1,100	7	17,680	4,185	24	15,350	3,650	24
Red Deer	15,690	1,080	7	18,205	4,335	24	11,170	3,030	27
Medicine Hat	11,810	1,010	9	13,170	2,750	21	11,620	2,420	21
St. Albert	15,610	650	4	12,735	1,550	12	6,950	1,170	17
Wood Buffalo	10,300	330	3	9,165	1,455	16	4,890	900	18
Grande Prairie	9,720	540	6	9,325	1,485	16	4,040	960	24
Lloydminster	5,080	260	5	5,410	795	15	3,300	810	24
Airdrie	4,920	180	4	3,795	410	11	2,280	350	15
Spruce Grove	4,210	180	4	4,180	380	9	2,230	260	11
Leduc	4,160	170	4	3,945	450	11	2,600	360	14
Camrose	3,080	210	7	3,630	685	19	3,710	660	18
Ft Saskatchewan	3,700	220	6	3,085	460	15	2,340	480	21
Wetaskiwin	2,800	250	9	2,605	705	27	2,810	700	25
Drumheller	1,750	50	3	1,550	245	16	1,260	210	16
Cold Lake	1,250	20	2	1,010	75	7	510	60	12

Full-time employment refers to 49 to 52 weeks of work a year. Part-time employment refers to work for a full or partial year.

A poor person is more likely to work part-time than full-time. On average, one in five poor Albertans works part-time, while fewer than one in ten has full time work. Again, the rates vary by location, with the highest rate of poverty among part-time workers being in Wetaskiwin and the lowest in Cold Lake and Strathcona County. What the table does not indicate is the number working more than one part-time job. Most people working part-time are not eligible for benefits such as a health or dental plan and Employment Insurance.

### **Distribution of "working poor"**

Another way to learn about the distribution of poor families is by looking at the number of earners in a household. One would expect to find the rate of poverty decreasing as more people in a household work. This is not necessarily the case. When we compare households with no earners versus those with one and two earners, we find that, on average, the greatest number of poor come from households where there is one earner. This relationship holds true for all selected communities except Airdrie where there are slightly more poor among households with no earners. In other words, a single earner cannot necessarily keep a family above the poverty line. One reason for this is that a full-time income from a minimum wage position in Alberta will fall far short of the LICO. We will compare the sufficiency of earnings from different sources in a later section.

The number of poor households does decrease significantly when there are two earners compared to one. However, as Table 15 shows, in several municipalities the number of poor families with two-earners is higher than the number of poor families with no earners.

**Table 15: Poor Families by Number of Earners for Canada, Alberta and Selected Alberta Communities, 1996**

	Number of Earners in Poor Families		
	No Earner	One Earner	Two Earners
Canada	587,185	440,695	239,320
Alberta	31,555	44,530	30,515
Calgary	9,345	13,545	10,480
Edmonton	10,590	14,690	9,530
Strathcona County	325	490	270
Lethbridge	650	1,110	720
Red Deer	740	1,100	730
Medicine Hat	515	845	540
St. Albert	245	480	395
Wood Buffalo	220	550	200
Grande Prairie	180	415	240
Lloydminster	295	310	125
Airdrie	145	140	80
Spruce Grove	55	125	105
Leduc	90	155	120
Camrose	120	175	110
Fort Saskatchewan	100	185	110
Wetaskiwin	150	230	135
Drumheller	25	80	45
Cold Lake	25	10	25

### Average Family Income

Income includes earned income, investment income and government transfer payments such as Canada Pension or Employment Insurance. **In 1996, the average family income in Alberta was \$58,320. The average income for a poor family was \$14,540.** The average income was higher among elderly poor families than among young poor families, which would appear to reflect the fact that earners among the poor are on minimum or low wages. (It may also reflect OAS/GIS rates that are higher than the rates for Supports for Independence.)

Income from government transfers among poor elderly was considerably lower than among all families. The likelihood is that, among the elderly poor, are women who have never worked and so do not qualify for pension. Their transfer payments come from Old Age Security and Guaranteed Income Supplement. Table 16 shows the incomes.

The average income for the poor in Alberta (\$14, 540) is lower than most of the LICO rates for 1995. Only a single person living in a city with a population of 499,000 or less would be above the poverty line on this income. Any other household on this income would be living in poverty.

**Table 16: Average Family Income by Age Group and Income Source for Alberta, 1996**

	<u>All Families (\$)</u>	<u>Poor Families (\$)</u>
All economic families		
Average total income	58,320	14,540
Average earnings	51,280	10,370
Average government transfers	6,420	6,010
Non-elderly economic families		
Average total income	60,180	14,400
Average earnings	52,790	10,480
Average government transfers	4,250	5,430
Elderly economic families		
Average total income	47,140	16,270
Average earnings	29,650	7,120
Average government transfers	17,610	13,080

## What is the depth of the poverty?

How many people are living in dire poverty? One way to examine the depth of poverty is to consider how many families live on incomes at or below one half of the LICO rates shown in Table 17.

**Table 17: Half of the Low Income Cut Off Rate for 1995**

Household Size	Size of Area of Residence				Rural Areas
	Urban Area by Population				
	500,000 and over	100,000 to 499,999	30,000 to 99,999	Less than 30,000*	
	\$	\$	\$	\$	\$
1 person	8,437	7,236	7,186	6,686	5,830
2 persons	10,546	9,045	8,982	8,358	7,288
3 persons	13,116	11,250	11,171	10,395	9,064
4 persons	15,876	13,617	13,523	12,583	10,972
5 persons	17,747	15,112	15,115	14,065	12,265
6 persons	19,618	16,827	16,710	15,548	13,558
7+ persons	21,489	18,432	18,303	17,030	14,851

\* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

Table 18 shows the number of economic families living below the LICO and the percentage of those living on these extremely low incomes within the selected communities. Over one-third of all Alberta's poor families, or **38,620 families, live on incomes that are one-half of the LICO or less.** There is considerable variation around the provincial rate of 36%.

Cold Lake has the largest percentage of very low incomes, despite having the smallest number of poor families. So, although few poor families live in Cold Lake, over half of the ones who do are extremely poor. Wood Buffalo, Lloydminster and Drumheller also have relatively higher rates of extreme poverty. **These findings tend to refute the general impression that extreme poverty only occurs in the largest cities.**

**Table 18: Economic Families by Incomes Equal to One-half of LICO and Below for Canada, Alberta and Selected Alberta Communities, 1996**

	Total Poor Economic Families	Income = .50% of LICO or Less	
		Families	%
Canada	1,267,205	451,295	36
Alberta	106,605	38,620	36
Calgary	33,375	12,010	36
Edmonton	34,810	13,180	38
Strathcona County	1,085	325	30
Lethbridge	2,475	835	34
Red Deer	2,575	910	35
Medicine Hat	1,900	505	26
St. Albert	1,120	360	32
Wood Buffalo	970	490	50
Grande Prairie	835	300	36
Lloydminster	735	305	41
Airdrie	365	110	30
Spruce Grove	285	85	30
Leduc	370	145	39
Camrose	405	125	31
Fort Saskatchewan	405	130	32
Wetaskiwin	520	135	26
Drumheller	150	60	40
Cold Lake	60	35	58

## How do the poor live?

Being poor means making choices. Difficult choices, because the money is rarely enough to meet daily needs. Saving is out of the question. But, like everyone else, the poor have unexpected expenses. How do you cope when a tooth abscesses or the furnace breaks down and every penny is spoken for? The only flexibility is in expenses for food, and parents report going hungry themselves to feed their children.

Exactly how much do poor families earn, and what is the source of their income? Table 19 compares the annual income from two sources for a single parent with two children ages three and seven. One source is Supports for Independence. The second is a 37-hour week job on Alberta's minimum wage. All rates shown are current.

**Table 19: A Comparison of Income from Supports for Independence and from Full-time Employment on Alberta's Minimum Wage for a Three-person Household, January 2000**

Single Parent with Two Children ages 3 and 7			
Income from Supports for Independence		Income from Minimum Wage for One Person	
Standard Allowance	\$ 5,196	Wages (\$5.90/hr, 37 hour week)	\$11,352
Shelter Allowance	\$ 6,036	Child Benefit	\$ 1,939
GST Rebate	\$ 598	Supplementary Child Benefit	\$ 1,010
		Alberta Family Employment Benefit	\$ 332
		GST Rebate	\$ 537
<b>Total</b>	<b>\$11,852</b>	<b>Total</b>	<b>\$15,220</b>

Using unpublished materials provided by the Edmonton Social Planning Council.

The 1995 LICO for a three-person household living in a small urban centre is \$20,790 – considerably more than either the SFI income or the minimum wage income above. And the LICO rate becomes higher for larger centres. In other words, a family of three with either above income would be living well below what Statistics Canada calls "straitened circumstances" – well below the poverty line. In fact, based on the LICO guidelines, **a household of any size living on the SFI income in any urban area would be in straitened circumstances.**

Only when we get into the very deepest poverty levels, one-half of the LICO, do these incomes begin to appear on the tables. The earned income is higher than half of the LICO for a three-person household in all centres, but the SFI income still falls below half of the LICO for a centre the size of Edmonton or Calgary.

Necessities of life make it impossible to exist on the earned income. For example, in order to work, the single parent would need child care, which would be unaffordable unless provided free by a family member or friend. And, after paying rent and utilities (shelter costs), which for the poor in Alberta averages \$555, the family would be left with \$713.33 a month for food and all other expenses. Shelter costs in some cities will be higher than this average.

Table 20 outlines income from SFI and employment for a four-person household comprised of two adults and two children ages three and seven. In this example, both adults earn a minimum wage.

A family on this SFI income fares the same as the earlier one. **The SFI income falls below the LICO for a four-person household for any urban centre.** It also falls below half of the LICO for a centre the size of Edmonton or Calgary. A two-parent family on SFI would be in the same dire straits as the lone-parent family.



**Table 20: A Comparison of Income from Supports for Independence and from Full-time Employment on Alberta's Minimum Wage for a Four-person Household, January 2000**

Two Parents with Two Children ages 3 and 7			
Income from Supports for Independence		Income from Minimum Wage for Two People	
Standard Allowance	\$ 7,308	Wages (\$5.90/hr, 37 hour week)	\$22,704
Shelter Allowance	\$ 6,288	Child Benefit	\$ 1,939
GST Rebate	\$ 608	Supplementary Child Benefit	\$ 935
		Alberta Family Employment Benefit	\$ 1,000
		GST Rebate	\$ 608
<b>Total</b>	<b>\$14,204</b>	<b>Total</b>	<b>\$27,186</b>

Using unpublished materials provided by the Edmonton Social Planning Council.

The earned income above is marginally over the lowest LICOs for a four-person household. In other words, despite both parents working full-time, because they earn the minimum wage in Alberta, the family's income remains below the poverty line if they live in any city larger than 100,000.

With both parents working, the same need for child care arises. In order to earn the income above, unless the parents worked alternate shifts, they would expect to pay about \$425 a month for care for the three year old. After-school care for the eight year old might be available through school. If not, this is an additional cost. As might be expected, low income parents tend to use cheaper child care, and that is usually of a lower quality. Ironically, although poor families are just the ones to benefit most from quality child care, that care is well beyond their means.

### **Spending on Shelter Costs**

Banks and organizations such as Canada Mortgage and Housing Corporation have guidelines to help families budget. Families are advised to spend only one-third of their income on shelter. For renters, shelter costs include rent, utilities and parking fees. For mortgage holders, shelter costs include mortgage payments, property taxes, utilities and condominium fees.

Based on these guidelines, the single-parent earner family cited above would allocate \$403 a month towards shelter. The two-parent earning family would allocate \$716 a month. However, **the average shelter cost for the poor in Alberta is \$555, which amounts to 44% of the single parent's income.**

Table 21 is in two parts. The first provides a break-down of owners and renters in the province and the percentage of poor. The second shows average shelter costs and the percentage of families spending more than 30 percent of their income on these costs.

As would be expected, the first part of the table indicates that poor people are more likely to rent, and 36% of all renters in the province are poor. Eight percent of owners who have a mortgage are also poor. We can speculate that their circumstances have changed since qualifying for a mortgage. Another 8% of owners without a mortgage are poor. It seems likely that these are seniors living on a low pension or other government payments such as Old Age Security or Guaranteed Income Supplement.

**Table 21: Economic Families by Housing Tenure, showing Monthly and Annual Shelter Costs and Percent Spending more than 30% of Annual Income on Shelter Costs, Alberta 1996**

	Number of Families			% Spending > 30% of Annual Income on Shelter Costs	
	Total	Poor	% Poor	Total Families	Poor Families
Total	678,780	102,160	15		
Own, with mortgage	307,040	25,500	8		
Own, without mortgage	203,430	16,870	8		
Rent	168,310	59,790	36		

  

	Average Monthly Shelter Costs (\$)		Average Annual Shelter Costs (\$)		% Spending > 30% of Annual Income on Shelter Costs	
	Total Families	Poor Families	Total Families	Poor Families	Total Families	Poor Families
Own, with mortgage	1,093	947	13,118	11,359	21	88
Own, without mortgage	314	285	3,763	3,425	3	30
Rent	601	556	7,217	6,664	32	73

Table 21 also shows the average shelter costs described earlier. Renters pay proportionately more of their income on shelter than do home owners. About one in three of all families spends more than 30% of its income on shelter. That number jumps to almost three out of four among poor families. Depending on housing costs and availability, this outlay is expected to vary considerably by location.

## Is the situation changing?

Is the number of poor increasing or decreasing? One way to find out is to compare poverty rates for the two most recent national census years, 1991 and 1996.

As Table 22 indicates, there was a steady but gradual increase in the number of poor families between 1991 and 1996, with the average increase being 1.0%. Wetaskiwin, St. Albert and Fort Saskatchewan registered the greatest increases of 3.2%, 2.7% and 2.7% respectively.

Two municipalities saw decreases in the number of poor families. There was a 2.0% drop in numbers in Cold Lake and a 1.5% drop in Grande Prairie.

**Table 22: Number and Incidence of Poor Families, 1996 with Percent Change between 1991 and 1996 for Canada, Alberta and Selected Alberta Communities**

	Poor Families		% Change
	Number	%	1991-1996
Canada	1,267,205	16.3	3.1
Alberta	106,605	14.9	1.0
Calgary	33,375	16.3	1.7
Edmonton	34,815	21.3	2.0
Strathcona County	1,085	6.0	1.5
Lethbridge	2,475	14.2	1.4
Red Deer	2,575	16.1	1.8
Medicine Hat	1,900	14.3	0.6
St. Albert	1,125	8.5	2.7
Wood Buffalo	1,085	11.4	n/a
Grande Prairie	835	10.2	-1.5
Lloydminster	315	10.2	0.2
Airdrie	365	8.6	1.6
Spruce Grove	285	7.1	0.4
Leduc	365	9.1	0.5
Camrose	405	10.9	0.4
Fort Saskatchewan	405	11.9	2.7
Wetaskiwin	515	17.9	3.2
Drumheller	150	9.3	0.7
Cold Lake	60	5.5	-2.0

Complete census data for 1991 and 1996 is also available by neighbourhood for four cities: Edmonton, Calgary, Lethbridge and Red Deer. The total is 380 neighbourhoods. Using the Low Income Cut-off to measure the incidence of poverty, we found that **between 1991 and 1996 the rate of poverty increased in 288, or three-quarters, of the neighbourhoods.** We then counted the number of neighbourhoods where at least 30% of families were living in poverty. In 1991, there were 33 such neighbourhoods. In 1996, there were 43. **Clearly, poverty is increasing.**

Where is the incidence of poverty the highest? Of the 43 neighbourhoods where 30% or more families live under the LICO, 25 are in Edmonton, 16 are in Calgary and two are in Red Deer.

What do we know about these families? We then looked at these neighbourhoods using three factors typically associated with poverty: lone-parent status, low level of education, and employment status. We found that, on average, in those neighbourhoods having a higher rate of poverty, about one in four families is a lone-parent family. The percentage ranges from 20.2% in Calgary to 28.9% in Red Deer. Moreover, across all neighbourhoods, as the incidence of poverty increases so does the frequency of lone-parent families.

A similar pattern occurs with education. Among the neighbourhoods with a high poverty rate, 12.5% of individuals have less than a high school education. In the other neighbourhoods, 5.5% of individuals have this level of education. Again, as the incidence of poverty increases so does the frequency of low education.

The third factor is employment status. Not surprisingly, in 1996, unemployment was higher in the neighbourhoods with high rates of poverty. The average unemployment rate for poor neighbourhoods was 8.0% compared with 5.1% for other neighbourhoods. However, what is surprising is the rate of poverty among those who work full-time. In those neighbourhoods with a high concentration of poor, approximately one in three of the families was working full-time during 1996. The full-time employment rate among poor neighbourhoods ranged from 24.9% in Red Deer to 32.9% in Calgary. In fact, on average, the full-time employment rate among the poor (29.9%) is only eight percentage points lower than the rate among all families (38.6%). What this tells us is that, in Alberta, **having a full-time job is no safeguard against being poor.**

## **What can we do about poverty?**

It is possible for individuals to do something about alleviating the effect of poverty. However, we can be more effective working together. But, it is **only through our collective will that we can address the factors common to poverty** mentioned many times in this paper. In choosing any action, we must recognize the difference between short-term measures – that meet an immediate need such as for food or clothing – and activities that will reduce the level of poverty permanently. Long-term impacts can only flow from strategies or policies with one of two objectives. The first is to increase the income of families, for example by raising the minimum wage or the Supports For Independence rate or by reducing tax levels. The second is to increase families' earning power by improving education, helping families stay together, or by reducing their expenditures on shelter through social housing.

The following is a list of strategies.

- **Learn more about poverty in your municipality.** Conduct studies, surveys and interviews to determine issues or causes, identify specific cases and hear personal stories. Use this information to develop solutions. Share your findings and observations with other municipalities and governments.
- **Increase awareness of poverty, its causes and its impacts.** Use pamphlets, newspaper articles discussion groups and other methods to raise awareness among business, service clubs, churches, community groups and the public. Use studies, forums, and position papers to raise the awareness of elected officials. Ask an elected representatives to spend a day meeting users of a foodbank or community agency.
- **Review user-pay policies with a view to increasing access based on low-income.** Introduce mechanisms whereby programs and services related to recreation, leisure, family counselling, library use, transportation, child care and out-of-school care can be made accessible to the poor sensitively and without the fear of stigmatization.

- **Continue to work with the provincial government on policies affecting the poor.** Encourage social housing policies and policies that assist working families such as by allowing a combination of SFI and income.

The 18 municipalities or non-profit agencies within their communities have introduced a number of measures to increase awareness or address the immediate needs of the poor. Examples include:

- A pamphlet using graphs, clip art and text to outline average monthly costs of a family of four versus sources of income and raise questions about the choices the poor face. (Community and Social Development, City of Calgary)
- A study of poverty based on interviews with repeat foodbank users and describing their characteristics (age, education, gender, employment status) and reasons for having to turn to foodbanks. (South Peace Social Planning Council)
- Free hot meals offered by a church (Fort Saskatchewan)
- An issues identification session involving community agencies dealing with clients in poverty and members of the public living in poverty. Information was gathered and a report produced. A second session was held to work on solutions (Red Deer Community Services Network)
- Low rental housing and a special needs transportation system for seniors and persons with disabilities (Drumheller Community Services)

## **Conclusion**

Having examined census data for the 18 municipalities, we have found that poverty does exist in Alberta and that it is not confined to Edmonton and Calgary nor to the unemployed. In fact almost 30% of all poor people in Alberta are among the "working poor." By breaking down the factors associated with poverty and by identifying their incidence across the 18 municipalities, the paper contributes considerably to our understanding of poverty. It is anticipated that municipalities have learned more about the incidence of poverty in their jurisdiction and with this knowledge are better equipped to address their specific problems.

We can also start to see where greater co-operation will be needed to reduce poverty. Although it may be difficult to curb the incidence of single-parent families, we can fund programs that provide them support. Similarly, while we cannot prevent the occurrence of disabilities, we can encourage companies to review their employment practices for systemic barriers. Importantly, there are things over which we can have direct control. Our federal, provincial and municipal policies relating to social housing, education, minimum wage and benefit programs all have a direct bearing on the incidence of poverty. It takes only will and ingenuity to change them.