

# A Poverty Reduction Plan for BC

FULL RESEARCH REPORT

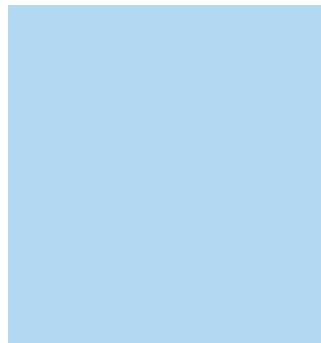
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by Seth Klein, Marjorie Griffin Cohen, T Garner, Igljika Ivanova, Marc Lee, Bruce Wallace and Margot Young

DECEMBER 2008



**CCPA**  
CANADIAN CENTRE  
for POLICY ALTERNATIVES  
BC Office



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Marc Lee, Bruce Wallace and Margot Young

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# A Poverty Reduction Plan for BC

NOW IS THE TIME for British Columbia's provincial government to launch a comprehensive poverty reduction plan—a detailed and accountable strategy with concrete and legislated targets and timelines to dramatically reduce and ultimately eliminate homelessness and poverty in the province. Five Canadian provinces either have such plans or are in the process of developing them, but not BC. With the next provincial election scheduled for May 2009, all political parties need to commit to a meaningful plan. We propose a bold yet realistic plan, the core features of which are outlined in this report.

This report:

- Outlines the essential elements of a meaningful poverty reduction plan;
- Looks at the emergence of poverty reduction strategies in other jurisdictions;
- Includes the latest poverty statistics for BC (showing those groups for whom poverty is most acute);
- Proposes concrete targets and timelines for BC, as well as accountability mechanisms; and
- Outlines a large package of policies and programs that should be part of a comprehensive poverty reduction strategy, highlighting priority items for immediate action (and where possible, costing these recommendations).

Now is the time for the BC government to launch a comprehensive poverty reduction plan—a detailed and accountable strategy with concrete and legislated targets and timelines to dramatically reduce and ultimately eliminate homelessness and poverty in the province.

**THE NEED IS CLEAR:** By any measure, BC has the highest rate of poverty in Canada. After years of strong economic growth and record low unemployment, it is inexcusable that 546,000 British Columbians—13 per cent of the total population—live in poverty, and homelessness continues to rise. As we head into a global economic downturn, BC will not be spared, and poverty risks getting worse unless action is taken.

Most poor people in BC are working in the paid labour force, yet their earnings (even working full time) are not enough to lift them and their children out of poverty. And those in desperate need of social assistance, due to the loss of a job, the loss of a spouse, the loss of good health, or any number of other life circumstances, find that the social safety net meant to catch them is not there—welfare is both inadequate and inaccessible.

**WE ALL PAY FOR POVERTY AND HOMELESSNESS:** Study after study links poverty with poorer health, higher justice system costs, more demands on social and community services, more stress on family members, and diminished school success.

**THE PUBLIC DESIRE FOR ACTION IS OVERWHELMING:** According to a recent Environics poll commissioned by the CCPA (see *British Columbians Want Action* below), 87 per cent of British Columbians want to see strong political leadership to reduce the number of poor people in Canada and our province. The same per cent believe the Premier should set concrete targets and timelines to reduce poverty. And 74 per cent of British Columbians say they would be more likely to support a provincial political party that pledged to make poverty reduction a high priority and proposed clear policies, targets and timelines.

**POVERTY AND HOMELESSNESS ARE NOT INEVITABLE:** The policies needed to make a dramatic difference are known, and other jurisdictions that are setting clear targets and timelines are getting results.

After years of strong economic growth and record low unemployment, it is inexcusable that 546,000 British Columbians live in poverty, and homelessness continues to rise. As we head into a global economic downturn, BC will not be spared, and poverty risks getting worse unless action is taken.

### **British Columbians Want Action**

The public desire for action is overwhelming. According to a recent Environics poll (commissioned by the CCPA):

- Over 90 per cent of British Columbians believe that if other countries can reduce poverty, Canada can.
- 87 per cent of British Columbians believe that now is the time for strong political leadership to reduce the number of BC and Canada's poor.
- 87 per cent said the prime minister and the premier should set concrete targets and timelines to reduce poverty.
- 91 per cent said they would feel proud if BC's premier took leadership on poverty reduction.
- 77 per cent said that in the face of a recession, governments should focus even more effort on supporting the poor.
- 74 per cent said they would be more likely to support a provincial political party that pledged to make poverty reduction a high priority. They would want the government to propose clear policies, targets and timelines aimed at reducing the number of poor people.

We recommend that a comprehensive plan focus on the following seven overarching objectives and priority actions:

### 1. PROVIDE ADEQUATE AND ACCESSIBLE INCOME SUPPORT FOR THE NON-EMPLOYED

PRIORITY ACTIONS: Immediately increase income assistance and disability benefit rates by 50 per cent and index them to inflation.

Ensure income support is accessible to those in need by removing the arbitrary barriers that discourage, delay and deny applicants.

### 2. IMPROVE EARNINGS AND WORKING CONDITIONS FOR LOW-WAGE WORKERS

PRIORITY ACTIONS: Immediately increase the minimum wage to \$10.60/hour (and eliminate the \$6/hour training wage), and index the wage to inflation.

Restore the number of employment standards officers, increase pro-active enforcement of the Employment Standards Act, and eliminate the “self-help” kit, so that workers can more readily report workplace violations and access the earnings to which they are entitled.

The policies needed to make a dramatic difference are known, and other jurisdictions that are setting clear targets and timelines are getting results.

### 3. ADDRESS THE NEEDS OF THOSE MOST LIKELY TO BE LIVING IN POVERTY

The plan must focus its efforts on those groups with higher poverty rates, such as Aboriginal people, people with disabilities and mental illness, recent immigrants and refugees, single mothers, and single senior women.

### 4. ADDRESS HOMELESSNESS AND THE LACK OF AFFORDABLE HOUSING

PRIORITY ACTION: Immediately start building over 2,000 new units of social housing per year (not counting conversions, rental subsidies, or shelter spaces).

### 5. PROVIDE UNIVERSAL PUBLICLY-FUNDED CHILD CARE

PRIORITY ACTION: Within one year, develop a comprehensive plan and timeframe for the implementation of a high-quality, universal, publicly-funded early learning and child care program. Initial phase-in should start immediately.

### 6. PROVIDE SUPPORT FOR TRAINING AND EDUCATION

PRIORITY ACTIONS: Immediately increase the availability of post-secondary grants for low-income students.

Rescind the rule that does not permit income assistance recipients to retain benefits while attending a post-secondary institution.

### 7. PROMOTE THE HEALTH OF ALL BRITISH COLUMBIANS

PRIORITY ACTION: Expand home support and residential care services, and increase the number of residential care beds.

If a plan is to be credible, it must have clear targets and timelines, using multiple and widely accepted measures of progress. The benchmarks for the timelines must be concrete enough, and frequent enough, that a government can be held accountable for progress within its mandate. We recommend that the following indicators, targets and timelines be adopted and legislated:

- Using Statistics Canada’s low income cut-off after tax (LICO-AT), reduce BC’s poverty rate from 13 per cent to 9 per cent in four years, and to 3 per cent in 10 years (meaning, effectively, a one third reduction within the mandate of the next government—or about 170,000 fewer people in poverty—and a 75 per cent reduction within a decade).
- Ensure the poverty rate (using the LICO-AT) for children, lone-mother households, single senior women, Aboriginal people, people with disabilities, and recent immigrants likewise declines by 30 per cent in four years, and by 75 per cent in 10 years, in recognition that poverty is concentrated in these populations.
- Within two years, ensure there are no British Columbians living 50 per cent or more below the LICO-AT.
- Eliminate street homelessness in five years.
- Reduce the share of British Columbians facing “core housing need” (and paying more than 50 per cent of their income on housing) by half by 2015.
- Improve food security for low-income individuals and families:
  - » Reduce the number of British Columbians who report both hunger and food insecurity by half within two years (based on the Canadian Community Health Survey).
  - » Reduce food bank use from 1.8 per cent to 0.5 per cent within five years, and set a date for the elimination of food banks in BC.
- Reduce the share of low-wage workers. The BC median wage was \$19 per hour in 2007. Therefore, two thirds of the median (a common measure of low-wage work) was \$12.67. BC should seek to reduce the share of workers earning less than two thirds the median wage every year.
- Reduce the waiting list for BC Housing to less than 10,000 within four years, and to less than 5,000 within eight years. (This must not be accomplished by reducing the number of people who are eligible or via qualification barriers).

There is nothing inevitable about poverty and homelessness in a society as rich as ours. If we commit to a bold plan, a dramatic reduction in poverty and homelessness within a few short years is a perfectly achievable goal.

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# Introduction

THE TIME HAS COME for BC to adopt a comprehensive poverty reduction plan—a detailed and accountable strategy with concrete and legislated targets and timelines to dramatically reduce and ultimately eliminate homelessness and poverty in the province.

Five Canadian provinces either have such plans or are in the process of developing them (Quebec, Newfoundland and Labrador, Ontario, Nova Scotia, and most recently New Brunswick), and a number of parliamentary committees are discussing what should be in a federal plan. Yet British Columbia, which consistently ranks as having the highest poverty rates in the country and continues to witness rising homelessness, does not have a plan. That needs to change. With the next provincial election scheduled for May 2009, all political parties need to commit to a meaningful and accountable plan. We propose a way to move forward with a bold yet realistic plan, the core features of which are outlined in this report.

As we head into a global economic downturn, BC will not be spared, and poverty risks getting worse. If the BC government remains fixated on not running a deficit, and chooses instead to cut program spending, the effect will be to worsen the recession and exacerbate poverty. A temptation will be to say that now is not the time to launch bold new initiatives—that we cannot afford it. This response must be resisted. An economic downturn is precisely the time when a bold poverty reduction plan is most needed.

Poverty manifests itself first and foremost in the lives of thousands of real people, who face impossible choices as they struggle to make ends meet, care for their children, participate in their communities, and fulfill their aspirations. Many in our province are not able to meet basic needs, and consequently must resort to desperate measures.

Poverty in our society is gendered—reflected, for example, in very high poverty rates for single-mother led households and for unattached senior women. And it is especially acute for certain demographic groups, particularly Aboriginal people, people with disabilities, and recent immigrants and refugees.

A bold plan needs to address both the depth and the breadth of poverty in BC. *Deep* poverty refers to those living well below the poverty line and in BC is primarily a story of inadequate

The time has come for BC to adopt a poverty reduction plan. With the next provincial election scheduled for May 2009, all political parties need to commit to a meaningful and accountable plan. We propose a way to move forward.

and inaccessible income support (mainly welfare). The *breadth* of poverty (the overall number of people living in poverty), however, is primarily a story of low wages—a labour market that results in many people working full time yet remaining below the poverty line. A comprehensive strategy must tackle both these dimensions.

There are many reasons to make fighting poverty one of the overarching priorities of government. Adopting a concrete poverty reduction plan is just and ethical, it is fair, it is democratic and egalitarian, it is affordable, it makes sound financial sense, and it reflects fundamental Canadian values.

A comprehensive plan must address both the *depth* and the *breadth* of poverty in BC.

Deep poverty refers to those living well below the poverty line and in BC is primarily a story of inadequate and inaccessible income support (mainly welfare).

The breadth of poverty (the overall number of people living in poverty), however, is primarily a story of low wages—a labour market that results in many people working full time yet remaining below the poverty line.

**FIGHTING POVERTY IS JUST AND ETHICAL.** Combating poverty is not an act of charity, but rather is required by our commitment to justice and individual dignity. It is fully in line with the domestic human rights commitments of our federal and provincial governments, and it is required by our international obligations. The *International Covenant on Economic, Social and Cultural Rights*, for example, asserts the right of all individuals to “social security” and the right of every individual to an adequate standard of living “including adequate food, clothing and housing, and to the continuous improvement of living conditions.”

**FIGHTING POVERTY IS FAIR.** A surprising number of Canadians are just a step away from the poverty that can arise from the loss of a job, the loss of a spouse or the loss of good health. The people who helped plan Canada’s social programs many years ago realized the often fragile and contingent nature of economic wellbeing and the importance of programs to help people in need. Our nation has been built on principles of collective responsibility for one another.

**FIGHTING POVERTY IS DEMOCRATIC AND EGALITARIAN.** Canada’s political system is democratic and egalitarian in the sense that it provides one and only one vote to every qualified elector. Where Canadian society fails is in ensuring reasonable economic and social supports for every individual to participate meaningfully in shared civic life.

**FIGHTING POVERTY IS AFFORDABLE.** Calculations derived from Statistics Canada show that the incomes of all poor people in British Columbia could be brought up to Statistics Canada’s low income cut-offs (after income taxes)—the most commonly used poverty line—for a total cost of just under \$2.4 billion a year.<sup>1</sup> Some of that money would have to come from government, but much of it could be provided by employers paying a living wage. This “poverty gap”—the total depth of poverty of all low-income residents—is less than annual provincial government surpluses in recent years (BC’s budget surplus has consistently exceeded the size of the “poverty gap” since 2004/05), and closing the gap is easily affordable in a province as wealthy as British Columbia; the “poverty gap” represents a mere 1.3 per cent of the overall provincial economy (BC’s GDP in 2007 was \$190 billion).

**FIGHTING POVERTY IS ECONOMICAL.** We all pay for persistent poverty and homelessness. Study after study links poverty with poorer health, more young people in trouble with the law, higher rates of incarceration and higher justice system costs, more demands on numerous social and community services, more stress on family members, and diminished chances of success at school. Since 2001, the Dietitians of Canada, BC Region have calculated the basic budget needed to eat a healthy and nutritious diet, and each year they find that welfare incomes are well below what is needed to meet basic food costs.<sup>2</sup> The implications of this for the long-term provincial health care budget are obvious.

We know that poverty among children in particular has tremendous costs over the long run because it affects children’s cognitive development and future life chances. Children who live in poor families are at a higher risk of becoming involved in crime, dropping out of school, and relying on more income supports and social services over their lifetime.

Homelessness is particularly costly, both to society at large and to the public treasury. As a recent study from SFU’s Centre for Applied Research in Mental Health and Addictions found, the cost of servicing the homeless is greater than the cost of housing them. The study found that BC has 11,750 people with severe addictions and/or mental illness who are “absolutely homeless,” and that this group costs the public treasury \$644 million (or \$55,000 per person) in health care, correctional and social services each year.<sup>3</sup>

A recent study published by the Ontario Association of Food Banks calculated the cost of poverty in Ontario to be between \$10.4 and \$13.1 billion for the public treasury, and between \$32.2 and \$38.3 billion for society at large (or about 6 per cent of Ontario’s GDP).<sup>4</sup>

Without question, there is a false economy in failing to implement a bold poverty reduction plan—it makes much more sense to address poverty directly than to wait for its indirect and long-term costs to surface.

**FIGHTING POVERTY REFLECTS FUNDAMENTAL CANADIAN VALUES.** Canadians pride themselves on being a nation that understands the importance of looking after one another, of casting a social safety net that catches those in need and treats them with compassion. We point to our national health care system as evidence of collective concern for the welfare of all. These values stand in stark contrast to what our governments have let happen. In such a wealthy province, people simply should not be struggling to meet the most basic human needs. Increasing numbers of people in BC are living in a state of survival, many sleeping on the streets and going hungry every day, and many more precariously close to this life, often working more than one job and making difficult choices in a desperate attempt to provide for themselves and their families. It is the responsibility of the provincial government to provide a social safety net that allows people to navigate a path out of poverty. Instead, current government policies condemn poor people to a life of hardship. It is often said that the true test of a society is how it cares for its most vulnerable and how well it provides for the common good. Currently, our society fails this test. Fighting poverty is absolutely essential to any hope of realizing a just and compassionate society.

The incomes of all poor people in BC could be brought up to the poverty line for just under \$2.4 billion a year.

Without question, there is a false economy in failing to implement a bold poverty reduction plan and instead waiting for the indirect and long-term costs to surface.

For too long, BC governments have hoped that economic growth and a lower unemployment rate would, in time, “solve” the poverty problem. Indeed, one would normally expect years of solid economic growth and low unemployment rates to improve the economic wellbeing of those at the lower tiers of the income scale, but that has not been happening. Poverty remains deep and persistent. Homelessness has increased. And the median real wage in BC dropped by a staggering 11.3 per cent between 1980 and 2005, and by 3.4 per cent between 2000 and 2005—the steepest slide of any province.<sup>5</sup>

The provincial government’s own Progress Board has called for major improvements in the social condition of British Columbians and in the province’s dismal poverty statistics.<sup>6</sup>

## Essential Elements of a Comprehensive and Meaningful Plan

Successful anti-poverty strategies from other jurisdictions, such as Europe and Newfoundland and Labrador, tell us that the most effective plans tend to have some common characteristics. If a poverty reduction plan is to be more than rhetoric or an aspirational statement, and have positive material outcomes, the following features must be present:

**TARGETS AND TIMELINES:** The plan must have clear targets and timelines, using multiple and widely accepted measures of progress. The benchmarks for the timelines must be concrete enough, and frequent enough, that a government can be held accountable for progress within its mandate.<sup>7</sup> The targets and timelines should be legislated.

**ACCOUNTABILITY:** Accountability mechanisms are key to an effective and credible plan. In the absence of appropriate and timely accountability measures, promises can fail to translate into action and results. While a senior cabinet member should be responsible for implementing and coordinating the plan (and reporting annually to the legislature and the public), the plan itself should not be the sole responsibility of one ministry. Rather, the plan should be based on what has become known as a “whole of government” approach—it should lay out overarching goals for the government, and include the development of implementation plans within key ministries. The premier him/herself should ultimately be accountable for meeting the goals (much as the current premier has made himself responsible for the province’s climate change targets).

**COMPREHENSIVE:** The plan must deal comprehensively with the multiple dimensions and causes of poverty and homelessness. Policy measures put in place must aid those in the low-wage workforce and those who cannot work in paid labour (either temporarily or long-term), as well as enhance the social programs/public goods that are relied upon by everyone, but in particular, low and middle-income households (such as housing, child care, accessible post-secondary education, etc.).

**FOCUS ON MARGINALIZED GROUPS:** The plan must also include measures that focus specifically on populations where poverty and marginalization are most acute—namely Aboriginal people, recent immigrants, lone mothers, single senior women, people with disabilities, and people with severe mental illness, addictions and other health problems.

**COMMUNITY INVOLVEMENT:** An official government strategy should be the product of a meaningful province-wide consultation process—which hears in particular from those most affected by poverty—and on-going public engagement is needed as the plan evolves. While this process should be thorough, it must be conducted in a timely manner. Ideally, the plan emanating from these consultations would be drafted by an expert and well-respected team, and would receive all-party endorsement. Nevertheless, this report highlights those policy actions that require immediate implementation (and should not wait for further consultation). The staging/prioritization of subsequent actions, however, should be determined by a public consultation process.

Combating poverty in BC requires the coordinated efforts of all levels of government, and a comprehensive plan will call upon citizens, the private sector, the non-governmental sector, and government agencies and authorities across many sectors (health, education, economic development, labour, etc.). Nevertheless, the provincial government should and must take the lead in developing and implementing a poverty reduction strategy, and should be held primarily accountable for the plan's success.

There is no excuse for poverty and homelessness in a province as wealthy as British Columbia. As the examples and policy reforms outlined in this paper make clear, there is nothing inevitable about poverty and homelessness in a society as rich as ours. If we commit to a bold plan, a dramatic reduction in poverty and homelessness within a few short years is a perfectly achievable goal.

This paper outlines the essential components of a meaningful poverty reduction plan; it looks at the emergence of poverty reduction strategies in other jurisdictions; it includes the latest poverty statistics for BC; it proposes targets and timelines; and it outlines a large package of policies and programs that should be at the heart of a comprehensive poverty reduction strategy, highlighting items for immediate action.

The policy reforms contained in this report draw heavily on the work of the Economic Security Project (ESP), a major research alliance led by the CCPA and Simon Fraser University, which has spent the last five years examining how public policy changes affect the economic security of vulnerable people. The ESP, now in its final year, has produced over 20 research reports on topics related to welfare, housing, poverty, employment standards, access to the labour market, and community health care. Almost every one of these studies has proposed policy solutions that would enhance the economic security and wellbeing of the poorest and most marginalized among us. These recommendations are synthesized in the final section of this report.

## Poverty Reduction Plans in Other Jurisdictions

Within the last decade, a growing number of jurisdictions around the world have launched anti-poverty strategies. The success of these initiatives shows that poverty is not inevitable—once these governments grounded their policies in a commitment to eliminate poverty, they began to improve the lives of those living in poverty.

### EUROPEAN UNION

In 2000, the European Union (EU) committed to developing a strategy that would have a significant impact on the eradication of poverty and social exclusion by 2010.<sup>8</sup> Several countries within the EU have identified poverty as a central issue and have launched poverty reduction strategies to help those struggling to meet their basic needs. For example, Ireland has adopted a *National Action Plan for Social Inclusion 2007–2016*, with the aim of eliminating consistent poverty by 2016. In the United Kingdom, the government is on track to meet its goal of cutting child poverty in half between 1999 and 2009.<sup>9</sup> Already, it has moved some 600,000 children out of poverty.

A growing number of jurisdictions around the world have launched anti-poverty strategies. The success of these initiatives shows that poverty is not inevitable.

## QUEBEC

Closer to home, only Quebec and Newfoundland and Labrador have initiated comprehensive anti-poverty strategies, while consultations are underway in Ontario, Nova Scotia, and, most recently, New Brunswick.

Quebec was the first province in Canada to introduce a comprehensive anti-poverty strategy. It is also the only province to enshrine its plan in legislation through the enactment of the Act to Combat Poverty and Social Exclusion in 2002.<sup>10</sup> Along with the development of a strategy, central requirements laid out in this Act include establishing advisory committee(s) and reporting annually. Quebec's overall goal is to achieve one of the lowest poverty rates in the industrialized world by 2013. It is still too early to fully evaluate Quebec's approach, but civil society groups in Quebec seem less enthusiastic about their government's plan than civil society groups in Newfoundland and Labrador about the approach taken in their province.

## NEWFOUNDLAND AND LABRADOR

In 2006, Newfoundland and Labrador became the second province to launch a poverty reduction strategy. The strategy is grounded in a government commitment to transform Newfoundland and Labrador into the province with the lowest poverty rate in Canada within a decade.<sup>11</sup> The Newfoundland case is particularly interesting from a BC perspective because, until recently, BC and Newfoundland shared the unwelcome distinction of having the highest poverty rates in the country. But while BC's provincial government sought to deny this reality, the Conservative government of Newfoundland and Labrador chose to accept and address it. The strategy was developed following an extensive public consultation process, after which the government released a detailed poverty reduction *Action Plan*.<sup>12</sup> A senior cabinet minister was placed in charge of implementing the strategy, but Premier Danny Williams has said his government as a whole should be held accountable for meeting the targets. Newfoundland and Labrador now provides among the highest social assistance benefit rates in the country, and in the 2007 provincial budget became the first province in Canada to index welfare rates to inflation. Over the last three years, the Williams government increased Newfoundland's minimum wage from \$6 to \$8, and has a schedule to raise it to \$10 by 2010.

Until recently, Newfoundland shared with BC the distinction of having the highest poverty rates in Canada. Not anymore. Now it provides among the highest welfare rates, became the first to index welfare to inflation, and increased its minimum wage from \$6 to \$8, and will get to \$10 by 2010.

# The State of Poverty in BC

## Why BC Needs a Poverty Reduction Plan Now

BY ANY MEASURE, BC has among the highest poverty rates in the country,<sup>13</sup> and the greatest degree of inequality (the largest gap between the poorest and richest households). With a very high cost of living (particularly housing costs), far too many British Columbians find it impossible to make ends meet, a growing number are homeless, and many more experience severe financial stress.

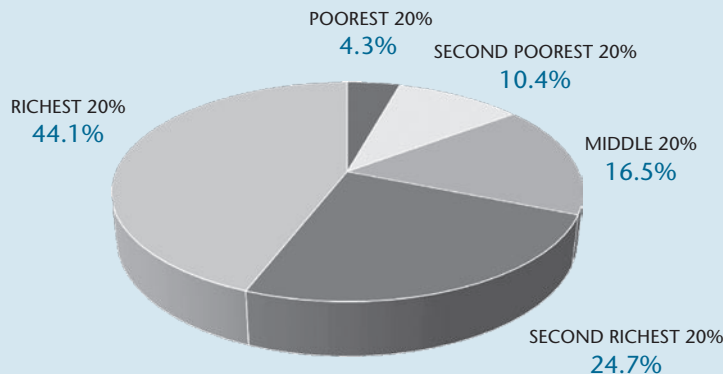
### INEQUALITY

BC has the highest average *wealth* in Canada and more millionaires per capita than any other province, but it is also home to the largest wealth gap between the richest 10 per cent and the poorest 10 per cent.<sup>19</sup>

BC also has the greatest degree of *income* inequality in Canada. As of 2006, the richest 20 per cent of British Columbians garnered 44.1 per cent of total after-tax income, while the poorest

By any measure, BC has among the highest poverty rates in the country, and the greatest gap between rich and poor. With a very high cost of living, far too many British Columbians find it impossible to make ends meet.

Figure 1: Shares of After-Tax Income in BC, 2006



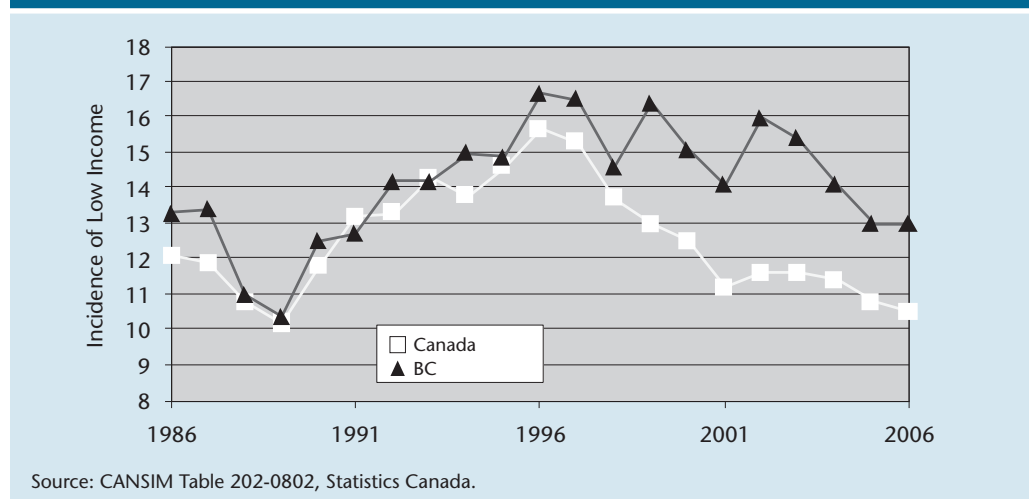
Source: CANSIM Table 202-0703, Statistics Canada.

20 per cent received 4.3 per cent of total after-tax income (see Figure 1).<sup>20</sup> In other words, the richest fifth of the population of BC had incomes more than 10 times higher than those of the poorest fifth of BC residents (and the gap in market income was of course much larger).<sup>21</sup>

## POVERTY

From the late 1980s through the early 1990s, BC's poverty rate was similar to the overall rate for Canada. But since 1996, BC's rate has diverged substantially, as national poverty levels decreased more steadily and rapidly than BC's poverty rate (see Figure 2). In 2006, 13 per cent of British Columbians were living on low incomes—2.5 percentage points above the national rate and significantly higher than in any other province.<sup>22</sup>

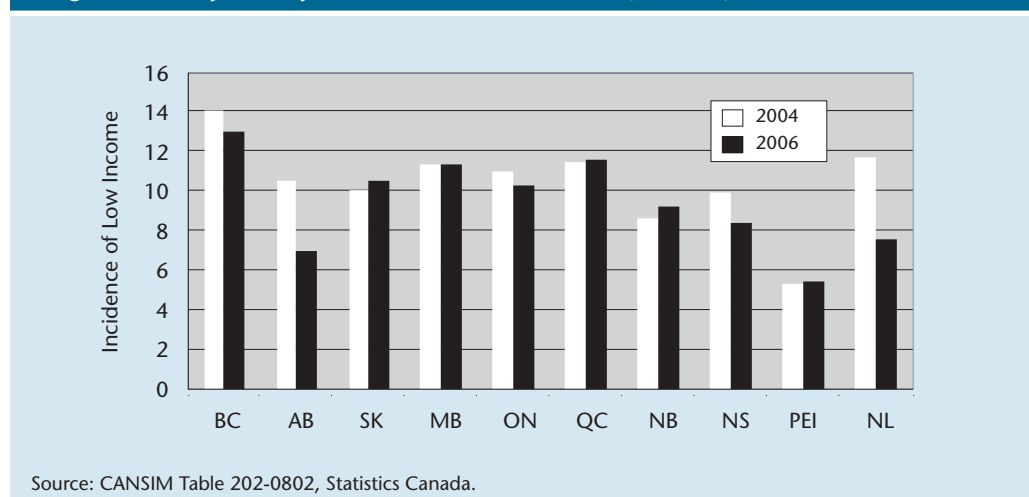
Figure 2: Poverty Rates, BC and Canada, Low Income Cut-Off (After Tax), 1986–2006



In 2006, 13 per cent of British Columbians were living on low incomes—2.5 percentage points above the national rate and significantly higher than in any other province.

In 2004, BC shared with Newfoundland and Labrador the distinction of having the two highest poverty rates in Canada. Since then, Newfoundland and Labrador has dramatically decreased its poverty rate. By 2006, it had one of the lowest poverty rates in Canada, while BC continues to have the highest (see Figure 3).

Figure 3: Poverty Rates by Province, Low Income Cut-Off (After Tax), 2004 and 2006





## Measuring Poverty

There is much debate about the efficacy of different poverty measures, but Statistics Canada's Low Income Cut-off (LICO) and Human Resources and Social Development Canada's Market Basket Measure (MBM) are two that are commonly used.<sup>14</sup>

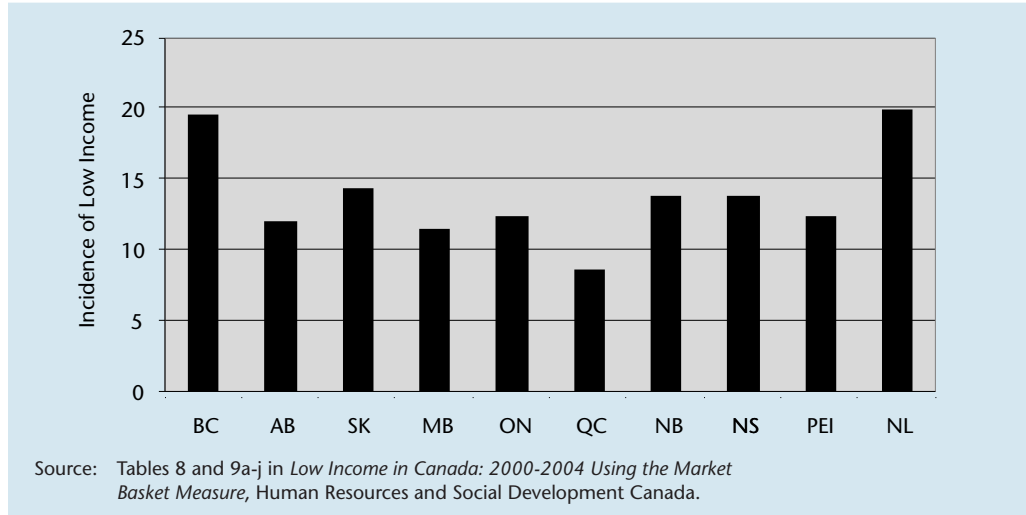
The LICO is a hybrid of both an absolute and a relative measure. It references both expenditures on basic items and the distribution of income, as it is an income threshold below which a family spends a larger proportion of its income than the average family on the basic necessities of shelter, food, and clothing.<sup>15</sup> According to the most recent base, the 1992 Family Expenditures Survey (FES), the average family spent 43 per cent of its after-tax income on shelter, food, and clothing.<sup>16</sup> A family spending greater than 20 per cent more of its income than the average family on these three necessities (i.e. 63 per cent or more of their income in 1992) is considered to be in "straitened circumstances" and below the LICO. LICOs for subsequent years are calculated by applying the Consumer Price Index to the base year cut-offs. LICOs are derived for seven family sizes and five community sizes, and produced in relation to both before-tax and after-tax incomes.<sup>17</sup>

Market basket measures are absolute measures based on actual costs of a specified basket of goods and services. The MBM includes five types of expenditures—shelter, food, clothing and footwear, transportation, and other basic household needs—for a reference family of two adults and two children. With this measure, a family is considered to have a low income if they are unable to purchase this basket of essential goods in their community. The income compared to the MBM is not gross income, but rather the actual income available to purchase these necessities. As such, deductions are made for child care and health care expenses, income taxes, child support payments, and all mandatory payroll deductions before comparing the family income to the cost of the basket.<sup>18</sup> This more stringent concept of disposable income means that poverty rates using the MBM are generally higher than those calculated with the LICO. In addition, the MBM is sensitive to local costs (such as housing), which are particularly high in BC.

This document refers to both these poverty measures, but, unless otherwise specified, poverty rates are defined in relation to the after-tax LICO. This is the measure most frequently used by the BC government when discussing poverty.

Inevitably, there is a time lag between available poverty data and the present day, but this problem plagues all research relying on these poverty measures, and should not be used as an excuse for inaction. The latest MBM statistics available are for 2004, while the LICO is available for 2005 using the most recent Census data, and 2006 using the smaller sample from the Survey of Labour and Income Dynamics. In this report, every effort has been made to use the most recent data available, and this is another reason the LICO is preferred over other poverty measures.

Figure 4: Poverty Rates by Province, Market Basket Measure, 2004



The Market Basket Measure (MBM), which calculates the actual costs of basic needs in communities across Canada, also shows that BC has a far higher general poverty rate than the national level. BC's poverty rate in 2004 was second only to Newfoundland and Labrador, and over double that of Quebec. While Newfoundland and Labrador's poverty rate is the highest in Canada in Figure 4, this data is for 2004 and does not show the progress Newfoundland has made in reducing its poverty rate since then (as indicated by Figure 3's LICO measure).

## How Severe is Poverty?

In 2006, the average poor person in BC had a yearly income that was \$7,700 below the after-tax Low Income Cut-off line, meaning that people are not living just below the poverty line, they are living *far* below it.

Poverty rates tell us how many people are living in poverty at a particular moment in time, but it is also important to consider the *depth* of poverty. This indicator looks at the degree of poverty; at how far below the poverty line the poor are. In 2006, the average poor person in BC had a yearly income that was \$7,700 below the after-tax Low Income Cut-off line,<sup>23</sup> meaning that people are not living just below the poverty line, they are living far below it.<sup>24</sup> As noted in the introduction, the total cost of bringing the incomes of every poor person in BC to the poverty line is about \$2.4 billion per year—a mere 1.3 per cent of the overall provincial economy.

### HOMELESSNESS

Living in poverty means struggling to meet basic needs, in particular shelter and food. Homelessness rates and use of food banks and soup kitchens provide some indication of *severe* poverty. The common perception of homelessness features people living on the streets, but this too often overlooks those in shelters and the so-called "hidden homeless," people who are couch-surfing, staying with family, or living in very overcrowded, insecure situations.

According to the most recent Metro Vancouver Homelessness Count, undertaken on March 11, 2008, there are 2,660<sup>25</sup> homeless people in Metro Vancouver, an increase of 22 per cent since 2005, and 137 per cent since 2002.<sup>26</sup> Of the total number of homeless, 153 are children

under the age of 19<sup>27</sup> and 873 (37 per cent) are age 45 and older. Almost half of the 2008 homeless population had been homeless for a year or more, an increase of 62 per cent in this group since 2005. And the overall health of the homeless is deteriorating.<sup>28</sup>

While there was a dramatic rise of 40 per cent between 2005 and 2008 in the numbers of homeless people living on the street, there was little change in the numbers accessing shelters, due primarily to the fact that the number of shelter spaces has barely increased in this time. One in five of the “street/service” homeless people had attempted to access a shelter on the night of the count, but had been turned away. (The term “street/service” homeless is comparable to “street” homeless but, in addition to those found sleeping on the streets, also includes those found at service locations during the daytime, some of whom may have couch surfed the night before).

**Table 1: Metro Vancouver Homeless Count**

Number of homeless	2002	2005	2008	Change 2002 to 2008	% Change 2002 to 2008	Change 2005 to 2008	% Change 2005 to 2008
Sheltered	788	1,047	1,086	298	38%	39	3%
Street/service	333	1,127	1,574	1,241	373%	447	40%
Total	1,121	2,174	2,660	1,539	137%	486	22%

Source: *Still on our streets.... Results of the 2008 Metro Vancouver Homeless Count*, 2008, p. 9.

According to the most recent Metro Vancouver Homelessness Count, undertaken in March 2008, there are 2,660 homeless people in Metro Vancouver, an increase of 22 per cent since 2005, and 137 per cent since 2002.

The 2008 Homelessness Survey carried out in the Upper Fraser Valley recorded 465 homeless people, an increase of 13 per cent since 2004.<sup>29</sup> In BC as a whole, one study estimates there are approximately 11,750 people with severe addictions and/or mental illness who are “absolutely homeless,” and a further 26,500 who are inadequately housed and inadequately supported, putting them in imminent risk of homelessness.<sup>30</sup> It has been estimated that homelessness costs approximately \$55,000 per year per person when the consequences of increased incarceration, hospital, and shelter costs are taken into account—far more than the cost of providing supported housing.<sup>31</sup>

## HUNGER

BC faces a chronic hunger problem and significant food insecurity. According to the most recent Dietitians of Canada report on the cost of eating in BC, a family of four with one average income would spend 17 per cent of their income buying nutritious food for a month, while the same size family with one low-income earner would spend 31 per cent of their income on nutritious food. On income assistance, this same family would have to spend 42 per cent of their income to provide healthy food, leaving them unable to afford rent, let alone other basic living necessities.<sup>32</sup> The result is that many low-income families go without adequate nutrition.

According to the latest Food Banks Canada (formerly Canadian Association of Food Banks) *HungerCount*, in March 2008, over 78,000 British Columbians (1.8 per cent of the provincial population) used food banks. Approximately one in three of these individuals were children.<sup>33</sup> Most people accessing food bank services are on social assistance or disability income supports, but an increasing number (14.4 per cent) are employed, yet still unable to adequately feed themselves or their families.

Many food banks report running out of food due to over-demand for their services. Consequently, many food banks now give out less food per person or turn people away. Over half of food banks allow visits only once per month. As a result, many low-income individuals and families rely heavily on other sources of charitable food, such as soup kitchens and drop-in centres.<sup>34</sup>

BC had the second highest rate of food insecurity of the six provinces that reported on food security in the 2005 Canadian Community Health Survey.<sup>35</sup> According to this survey, 5.4 per cent of British Columbians over the age of 12 worry about putting food on the table or reduce their food intake to the extent that they go hungry. This figure is undoubtedly lower than the actual rate of food insecurity in BC because, amongst other exclusions, it does not include the homeless population.

The consequences of hunger are dire and contribute to higher costs in BC's health system—healthy eating prevents many diseases, and children who eat well have fewer behavioural problems. Without adequate income to buy nutritious food, low-income families tend to consume more energy-dense but nutrient-poor food choices, which contributes to the increasing rates of obesity.<sup>36</sup>

## HOUSING AFFORDABILITY

A small but significant number of all BC households, 6.7 per cent, live in “core housing need” and spend more than 50 per cent of their income on shelter.

According to the most recent Census data, BC has the worst record of housing affordability in Canada, with almost one in three households spending more than 30 per cent of their gross income on housing costs.<sup>37</sup> The situation is worse for renters—44 per cent of renters in BC spend more than 30 per cent of their income on shelter.<sup>38</sup> A small but significant number of all BC households, 6.7 per cent, live in “core housing need”<sup>39</sup> and spend more than 50 per cent of their income on shelter.<sup>40</sup> Renters are again more likely to be in a situation of severe housing need—13.3 per cent of renters compared to only 3.5 per cent of owners.<sup>41</sup> High rental prices are in part due to the extremely low vacancy rate in BC, which has been decreasing steadily in recent years. In 2008, it hit an all-time low of 1 per cent, the lowest in Canada (and it is even lower in Vancouver).<sup>42</sup> In this climate of severe housing shortage and high prices, the demand for publicly-subsidized housing far outweighs supply—BC Housing, the provider of social housing across BC, had over 13,400 applicants on its waitlist in May 2008.<sup>43</sup>

## Who is Poor in BC?

BC's poverty rate of 13 per cent means that 546,000 British Columbians live in poverty. Approximately one quarter are children. Of those 133,000 children living in poverty, 70,000 (13 per cent of all poor people in BC) are in two-parent families and 54,000 (10 per cent) are in female lone-parent families.<sup>44</sup>

## GENDER, AGE AND FAMILY TYPE

Poverty is gendered, with males and females experiencing poverty in distinct ways. The overall gender divide within the poor population is a fairly even split, with 267,000 male (49 per cent) and 280,000 female (51 per cent). That being said, males are more likely to experience

poverty when single, while women are much more likely to experience poverty as seniors and single parents. Amongst seniors, it is single women who make up a large proportion of the elderly poor—22,000 of the 32,000 poor seniors are single women. In addition, the largest share of persons living in poverty is women aged 18 to 64 in families (21 per cent), and this is undoubtedly due to the high rate of poverty among single mothers.

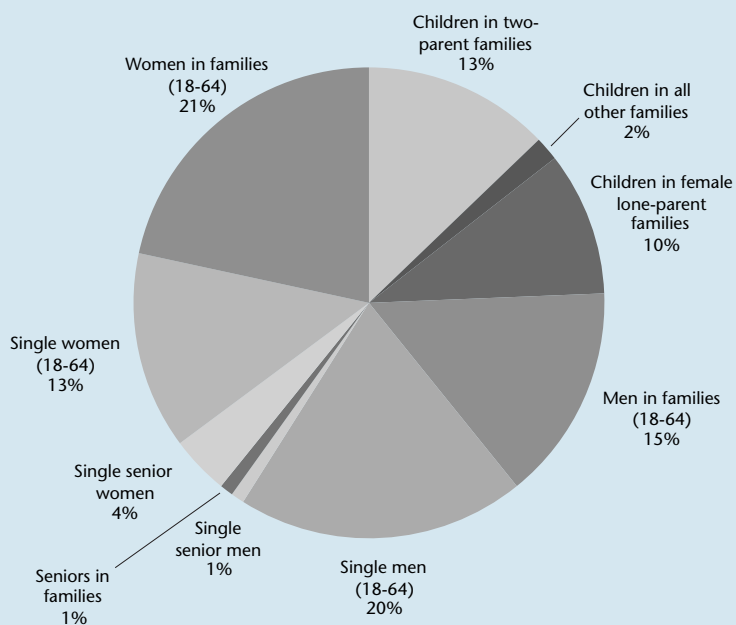
In relation to employment, women are far more likely to work low-wage jobs; the median income for women is a mere 63 per cent that of men—\$19,997 compared to \$31,598.<sup>45</sup> In terms of social assistance, women represent a large share of the welfare caseload, with single mothers making up approximately one quarter of the total, not including disability assistance cases.<sup>46</sup> For too many women, living in poverty means not being able to provide a safe, secure home and adequate nutritious food for their children, and this in turn means living with the constant fear of having their children placed in government care. Poverty also makes women more vulnerable to violence, abuse and exploitation. Addressing the poverty of women must be a central component of any poverty reduction strategy.

A distressingly high number of children live in poverty across Canada, particularly in BC. For five years running, BC has had the highest child poverty rate in the country. While the national rate of child poverty has steadily decreased in recent years (and now stands at 11.3 per cent), BC's child poverty rate of 16.1 per cent is higher now than it was in 2001. Children of families with at least one member who is Aboriginal, a recent immigrant, or has a disability are at an even greater risk of poverty.<sup>47</sup>

While single-parent families are fewer in number than couple families, they face a far higher rate of poverty. In 2006 in BC, single-mother families faced a poverty rate of 35.7 per cent, in

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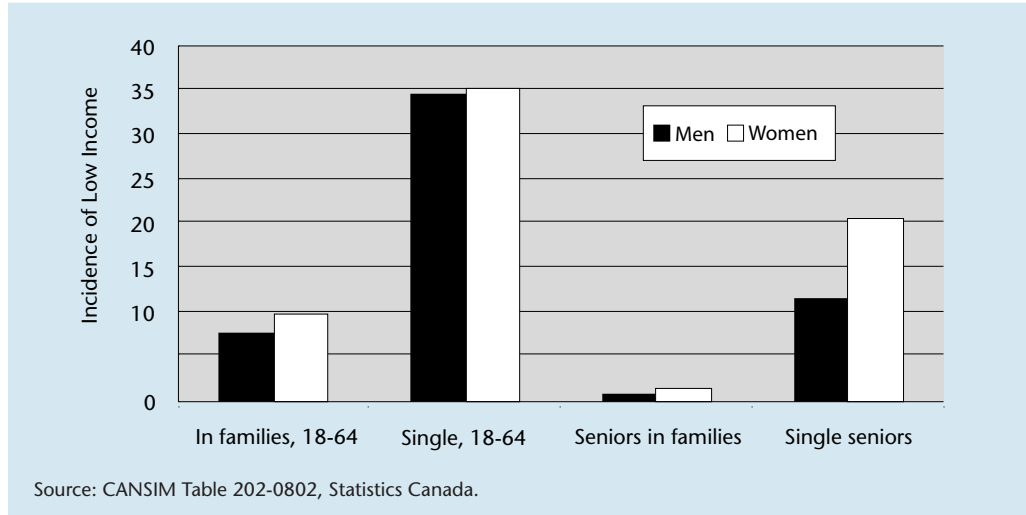
Figure 5: Share of Poverty in BC by Gender, Age and Family Type, 2006



Note: "Families" refers to any household unit containing more than one person, including single-parent families, couples, two-parent families, etc.

Source: Derived from CANSIM Table 202-0802, Statistics Canada.

Figure 6: Poverty by Age and Family Type, Low Income Cut-Off (After Tax), 2006



An effective poverty reduction strategy must acknowledge that poverty rates are higher among certain groups. As such, measures targeted toward these groups will have a significant impact on reducing overall poverty rates.

comparison to a poverty rate of 9.3 per cent for two-parent families.<sup>48</sup> And, because families often have more than one child, the poverty rate for children living in single-mother families is higher—in 2006, these children had a poverty rate of 42.8 per cent in BC, compared to a rate of 10.8 per cent for children in two-parent families.

Single individuals have a far higher poverty rate than those living with their families. Over one in three single people between 18 and 64 years old struggle to meet their basic needs. Among single seniors, women are considerably worse off than men, with a poverty rate of 20.4 per cent compared to 11.6 per cent (Figure 6).

An effective poverty reduction strategy must acknowledge that poverty rates are higher among certain groups. As such, measures targeted toward these groups will have a significant impact on reducing overall poverty rates. The following sections address those demographic groups with some of the highest poverty rates: the Aboriginal population, recent immigrants and refugees, and people with disabilities, including mental health issues. The different needs of these groups necessitate different policy responses in order to address the underlying causes of their poverty.

#### ABORIGINAL POPULATION<sup>49</sup>

Aboriginal people are dramatically over-represented among those living in poverty in Canada. In BC, according to the 2001 Census (the most recent data available on Aboriginal income), the rate of Aboriginal poverty was 35.9 per cent, over double the non-Aboriginal poverty rate of 17.2 per cent.<sup>50</sup> While off-reserve Aboriginal poverty is present throughout BC, it is concentrated in Vancouver—Aboriginal people make up 1.9 per cent of Vancouver’s population, yet constitute 4.2 per cent of those living in poverty.<sup>51</sup>

As well as the ongoing effects of colonization, some of this poverty gap is due to discrepancies in employment rates and income. There is a significant wage gap between the Aboriginal and non-Aboriginal population—in 2000, the median income for Aboriginal workers in BC was \$13,242, a mere 59 per cent of the median income of \$22,535 for the non-Aboriginal population.<sup>52</sup>

Aboriginal people face many barriers in gaining access to and retaining adequate employment, including systemic racism and lower completion rates of formal education. In 2005, the unemployment rate in BC for Aboriginal people was 15 per cent, almost three times the rate for the total population.<sup>53</sup> In an economic climate in which education is key to securing well-paid employment, approximately 39 per cent of Aboriginal people aged 15 years and over have not graduated from high school, compared to 18 per cent of non-Aboriginal people.<sup>54</sup> Fewer again have post-secondary qualifications—just over 5 per cent of Aboriginal people over 15 years old have a university certificate or degree, compared to 19 per cent of non-Aboriginal people.

The lack of affordable housing is another crucial issue for Aboriginal poverty in BC. On reserve, it is estimated that the housing shortage is 20–35,000 units and increasing, while off-reserve, the core housing need among Aboriginal households is 76 per cent higher than among non-Aboriginal households.<sup>55</sup> Aboriginal people are also over-represented among the homeless within Metro Vancouver—approximately 32 per cent of the homeless are Aboriginal.<sup>56</sup>

Aboriginal women's issues need special attention. Aboriginal women are consistently poorer than Aboriginal men. In BC in 2000, Aboriginal women had an overall poverty rate of 38.2 per cent compared to 33.4 per cent for men.<sup>57</sup> And single Aboriginal women are far more likely to live in poverty, with a poverty rate of 63.8 per cent compared to 55.6 per cent for single Aboriginal men. Aboriginal women are also significantly overrepresented among the homeless population—45 per cent of homeless women are Aboriginal.<sup>58</sup>

A central concern for Aboriginal women is the increasing rate of child apprehensions in BC. While the number of non-Aboriginal children in state care has decreased, the number of Aboriginal children being taken into care continues to rise, and currently, of the 9,271 children living in foster care in BC, more than half are Aboriginal.<sup>59</sup> According to a recent study from Pivot Legal Society, contrary to public perception, the reasons for removing children from their families are rarely physical or sexual abuse: they are most often due to neglect. In many cases, this neglect is an effect of poverty. Aboriginal children are twice as likely to be poor than non-Aboriginal children—Aboriginal children under 6 have a poverty rate of 40 per cent compared to a poverty rate of 18 per cent for non-Aboriginal children under 6.<sup>60</sup> Once these children are apprehended, foster parents receive more money than parents who were trying to support their family on income assistance.

A focus on Aboriginal youth must also be part of a poverty reduction strategy. In 2005, almost half the off-reserve Aboriginal population were youth under 25,<sup>61</sup> who report leaving reserves for multiple reasons, from lack of employment and education opportunities to abuse and drug addiction.<sup>62</sup> On arriving in the city, they often find themselves severely under-prepared for the reality of urban life, and experience feelings of loneliness, dislocation, and anxiety.<sup>63</sup> There is little support for this “culture shock”—few services provide Aboriginal-specific information about affordable housing options or employment centres, and youth often do not know how to access them.

Aboriginal people face longstanding poverty-related inequalities in health when compared to the non-Aboriginal population in BC. According to a report by the BC Ministry of Health and the First Nations Chiefs' Health Committee, “life expectancy is shorter, infant mortality is higher, suicides are more common, and dependencies and related deaths are more frequent” among the Aboriginal population.<sup>64</sup> There is a much higher incidence of alcohol and

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drug-related deaths, as well as respiratory and smoking-related deaths. Diabetes is a major health risk for Aboriginal people—across Canada, they are three to five times more likely to be diagnosed with diabetes than the non-Aboriginal population.<sup>65</sup> The rate of HIV infection within the Aboriginal population is also significantly above the non-Aboriginal population, and this is primarily due to the fact that many of the behaviours associated with poverty put people at risk for HIV.<sup>66</sup>

## PEOPLE WITH DISABILITIES, PHYSICAL AND MENTAL ILLNESS, OR CHRONIC DISEASE

Many people with a disability simply cannot work and therefore rely on government income assistance. Other people with disabilities could work (either full-time or part-time/sporadically) if the needed supports were in place, and many need to be able to combine government assistance with employment income. Unfortunately, current provincial disability benefits do not provide a way out of poverty—they are too low to meet even the minimum costs of living in BC, let alone cope with the extra costs of living with a disability. And current welfare policy does not allow people to combine employment income and income assistance in a flexible manner relevant to the realities of people's disabilities.

In relation to mental health, the links between mental illness and poverty are clear. Studies in the Vancouver Coastal Health region suggest that people with mental illness and/or addictions are disproportionately poor,<sup>67</sup> and being poor both exacerbates mental illness and can lead to poor mental health.

There are multiple barriers to accessing disability benefits. Currently, the application process is long and arduous. The application form is 23 pages, double the length of the pre-2002 form, and much of it has to be completed by two different health professionals. A recent Economic Security Project (ESP) report, *Living on Welfare in BC: Experiences of Longer-Term "Expected to Work" Recipients*, found many people inappropriately categorized in the "expected to work" category were forced to wait many years for their medical condition, disability, or other barrier to employment to be officially recognized.<sup>68</sup>

The sad reality is that, even when people are appropriately categorized, the modestly higher benefit levels received by people with disabilities are still grossly inadequate. A single person with a disability (PWD) receives \$906 per month (\$531 for support and \$375 for shelter).<sup>69</sup> This translates into an average annual welfare income of \$10,872, or 61 per cent of the poverty line. For those people on welfare with a mental health problem who do not have the PWD designation but who are recognized as having significant employment barriers (i.e. those with the Persons with Persistent and Multiple Barriers designation) the benefit rates are even lower.

Previously the disability designation needed to access disability benefits was permanent, but it can now be reviewed every two, three, or five years. As explained in the recent ESP paper *Removing Barriers to Work: Flexible Employment Options for People With Disabilities in BC*,<sup>70</sup> having to prove over and over again that they have a disability actually discourages many people with disabilities from working toward more independence through volunteering, education, or employment because of the fear that these activities may cause them to lose their disability designation. As a result, "people with disabilities who rely on income support live restricted lives filled with anxiety, insecurity and fear of being reassessed and losing their pitifully inadequate benefits."<sup>71</sup>

Benefit levels received by people with disabilities are still grossly inadequate. A single person with a disability receives \$906 per month. This translates into an average annual welfare income of \$10,872, or 61 per cent of the poverty line.



While the earnings exemption of \$500 per month for PWDs provides a pathway into employment, there is some concern about the limitations of the current flat rate exemption. A different system, such as a graduated phase out above \$500, would be more effective at allowing recipients to gain the work experience and income level necessary to move off disability.<sup>72</sup> Other employment supports are included in the welfare policy recommendations below.

Beyond financial support, people with disabilities need access to appropriate health care. Improving access to community health care services—home care, home support, assisted living, long-term care, and community mental health services — is a pivotal part of poverty reduction for people with physical and mental disabilities.

## RECENT IMMIGRANTS, REFUGEES AND TEMPORARY FOREIGN WORKERS

Recent immigrants and refugees face a number of financial and social barriers that cause them to be overrepresented among those living in poverty. Even after the recent years of strong economic growth in BC, income levels for recent immigrants remain extremely low, despite similar or higher educational attainment than non-immigrant Canadians. In 2005, the median income for recent immigrants was \$14,861, over \$10,000 less than the overall median income of \$24,867.<sup>73</sup> Children of recent immigrant families are the poorest in the province—in 2000 (the last year for which we have Census data), the poverty rate for immigrant couples with children was 45.9 per cent and for lone-parent families it was a staggering 66.5 per cent.<sup>74</sup>

One of the most significant factors contributing to immigrant and refugee poverty is the lack of support upon arrival in Canada. While government sponsored refugees have access to a variety of services, refugee claimants often arrive in BC with no idea where to turn for help. The First Contact program, launched by the Red Cross in November 2008, aims to address this issue by providing refugee claimants with one place to access assistance on arrival. They deliver services in the refugee's language or refer people to the appropriate agencies, legal services and accommodation. This new program is an invaluable resource for refugees and should be financially supported by the provincial government. Existing settlement services available to immigrants and refugees are not adequate.

Many refugees arrive with significant debt because they are expected to repay the Government of Canada for their overseas medical costs (a medical exam is an application requirement) and their transportation costs to Canada.<sup>75</sup> The average transportation loan debt is between \$3,000 and \$5,000, with families easily reaching the maximum of \$10,000, and refugees are required to pay off these loans within six years.<sup>76</sup>

After arriving, immigrants and refugees are disproportionately likely to face unemployment. For very recent immigrants (five years or less), the average unemployment rate in 2006 was 9.7 per cent, more than double the rate for Canadian-born British Columbians.<sup>77</sup> The Quality of Life Challenge, aimed at reducing poverty in Victoria, has identified employer practices that facilitate the hiring of recent immigrants<sup>78</sup> and could be used as a model for enhancing immigrants' integration into the labour force.

Refugee claimants cannot work until they have a work permit, which takes an average of six months to obtain.<sup>79</sup> During this time, they may access income assistance,<sup>80</sup> but it takes three to

In 2005, the median income for recent immigrants was \$14,861, over \$10,000 less than the overall median income of \$24,867. Children of recent immigrant families are the poorest in the province—in 2000, the poverty rate for immigrant couples with children was 45.9 per cent and for lone-parent families it was a staggering 66.5 per cent.

six weeks to start receiving welfare, welfare rates are too low to provide adequate food and shelter, and being on welfare is viewed negatively in their humanitarian and compassionate claim.<sup>81</sup> Sponsored immigrants can access income assistance, but their sponsor is then responsible for repaying it—this prohibitive rule has the effect of maintaining immigrants in deep poverty as well as potentially keeping women in abusive situations. Mechanisms should be in place for those who default on their sponsorship agreement due to unexpected circumstances.

Of those recent immigrants and refugees who do manage to enter the labour market, many hold low-paid, “unskilled” jobs due to a lack of recognition for foreign professional credentials and work experience, and many are required to work at the so-called “training” or “first-job” wage of \$6 an hour for the first 500 hours of employment. Recent immigrants also face barriers in upgrading their employment skills through government programs—they are ineligible for many of these employment programs because these services are often accessible only to Employment Insurance (EI) recipients, and obtaining EI requires a minimum of 910 working hours in the previous year.

Temporary foreign workers, and farmworkers in general, are among the most vulnerable working populations. The recent ESP report, *Cultivating Farmworker Rights*, reveals that employers frequently violate labour standards and health and safety regulations.<sup>82</sup> The poor treatment of temporary migrant workers affects the overall labour market structure—in a tight labour market, the shortage of workers should push wages up, but this does not happen if employers are allowed to import cheap labour with minimal worker protection.<sup>83</sup> Such workers have no longer-term claim to the entitlements of citizenship.

Another significant issue for immigrants and refugees is access to English language training. Competency in English improves their chances of entering the labour market, accessing adequate, safe housing, and making connections within the community. Government-funded English language services for adults are available, but child care spaces are limited, which in particular affects immigrant women’s ability to access these programs.

The poor treatment of temporary migrant workers affects the overall labour market structure—in a tight labour market, the shortage of workers should push wages up, but this does not happen if employers are allowed to import cheap labour with minimal worker protection.

## Role of Public Policy

The story of poverty, homelessness, and economic insecurity in BC is one of inadequate and inaccessible income support (primarily welfare benefits), inadequate earnings and benefit provision from the low-wage labour market (due to precarious and casual work, low minimum wages, and weak employment standards), and insufficient public services and supports (such as social housing, child care, and accessible post-secondary education).

### WELFARE: GROSSLY INADEQUATE BENEFITS AND ARBITRARY BARRIERS

The incomes of the poorest people in the province are grossly inadequate and fail to provide the basic necessities of life.<sup>84</sup> The current rate of \$610 per month for a single “employable” person is less than the average rent for a bachelor suite in BC.<sup>85</sup> Single people on assistance are expected to rent homes with a mere \$375 per month, and receive \$7.58 per day for everything else.<sup>86</sup> This puts these individuals 59 per cent below the poverty line (in relation to the 2007 after-tax LICO).<sup>87</sup> A single parent with one child receives basic income assistance

of \$946 per month and federal government transfers of about \$300 per month, but the total still remains far below the poverty line.

Two Economic Security Project studies, using data gained through Freedom of Information requests and extensive interviews, have documented both the barriers to getting income assistance in BC (particularly since the introduction of new welfare rules in 2002), and the inadequacy of benefit levels – *Denied Assistance: Closing the Front Door on Welfare in BC*,<sup>88</sup> and *Living on Welfare in BC: Experiences of Longer-Term “Expected to Work” Recipients* (which followed 62 welfare recipients over two years).<sup>89</sup> Among their key findings:

- **MUCH OF DAY-TO-DAY LIFE ON WELFARE IS ABOUT SURVIVAL**—a constant and frequently unsuccessful struggle to look after basic needs for food, shelter, health, and personal safety—making the task of seeking employment very difficult if not impossible for many. What emerges from the *Living on Welfare* study is a welfare system that is structurally dependent on food banks and other charities in order for people to meet basic needs. Even those who were “upgraded” to some form of disability status continued to use food banks/soup kitchens an average of four times per month. A disturbing number of women in the study either returned to or remained in abusive relationships or engaged in prostitution to make ends meet.
- **ONLY A SMALL FRACTION OF PARTICIPANTS IN THE *LIVING ON WELFARE* STUDY LEFT POVERTY.** Those who remained on assistance were very poor, even if re-categorized. Those forced off even more so. And while those who shifted from income assistance to the labour market were better off than on income assistance, most were still earning incomes below the poverty line.
- **BC’S WELFARE APPLICATION SYSTEM HAS BECOME SO COMPLICATED TO NAVIGATE THAT IT SYSTEMATICALLY DISCOURAGES, DELAYS AND DENIES PEOPLE WHO NEED HELP.** Connecting with a welfare advocate who is familiar with all the rules is often key to successfully gaining benefits. The two-year “independence test,” which refuses welfare to people regardless of their need, is now the third most common reason for denying assistance. This rule arbitrarily requires that people demonstrate they have been financially independent for two consecutive years to qualify for assistance.
- **FAR TOO MANY PEOPLE ARE BEING CUT OFF WELFARE, ALMOST ALWAYS INAPPROPRIATELY.** Almost 500 people were cut off assistance in BC during 2006, and about 350 people in 2007. Seven people in the *Living on Welfare* study were cut off assistance at some point during the two years. Yet none were in fact job-ready, and all struggled with serious addiction and health issues. Once cut off, all lived on virtually no income, were homeless, and most resorted to illegal activities. Cutting these people off is not helping them or society at large.

The incomes of the poorest people in the province are grossly inadequate and fail to provide the basic necessities of life.<sup>84</sup> The current rate of \$610 per month for a single “employable” person is less than the average rent for a bachelor suite in BC.

## THE “WORKING POOR”

While an inadequate and inaccessible welfare system is a big piece of the province’s poverty story, it is by no means the only issue. Most poor people in BC are employed,<sup>90</sup> and over half of the poor children in BC (54.3 per cent) live in households where their parents have at least the equivalent of full-year full-time work.<sup>91</sup> BC has the highest proportion of working poor families in Canada.

BC's unemployment rate decreased to an all-time low of 4.7 per cent in September 2008.<sup>92</sup> However, the minimum wage of \$8 an hour has not been increased since 2001. BC has gone from having the highest minimum wage in Canada to having one of the lowest, on par with the Atlantic provinces. A full-time minimum wage worker earns only \$16,640 a year, not even close to keeping her or him above the LICO of \$21,666 (before tax) for a single person living in a major city in 2007, and much farther below the LICO if this earner has dependent children.

While only 4.6 per cent of BC's paid employees earned the current minimum wage in 2006,<sup>93</sup> a recent Statistics Canada study shows that more than 16 per cent of BC employees—300,000-plus people—worked for less than \$10 per hour in 2007.<sup>94</sup> Nearly half of this larger population (45 per cent) are over 25 years of age. Clearly, many of the working poor are struggling to provide for their families on meager wages. Women and recent immigrants are disproportionately affected as they are more likely to be earning less than \$10 per hour.

Certain vulnerable groups of workers face considerable workplace challenges aside from low wages. Numerous Economic Security Project reports have documented these challenges, which in particular affect recent immigrants, temporary migrant workers, women workers, and casual workers. Among their key findings:

The minimum wage of \$8 an hour has not been increased since 2001. BC has gone from having the highest minimum wage in Canada to having one of the lowest, on par with the Atlantic provinces.

- **THE CONTRACTING-OUT OF PUBLIC SECTOR WORK** (such as the transfer of over 8,000 hospital support jobs from the health authorities to multi-national corporations) has resulted in thousands of workers (mainly women and disproportionately recent immigrants) seeing their wages drop from a living wage to well below.<sup>95</sup>
- **CHANGES TO THE EMPLOYMENT STANDARDS ACT SINCE 2002 MEAN WORKERS HAVE FEWER PROTECTIONS.** Employment standards are important because they provide minimum standards for wages and working conditions. They are vital to ensuring that workers—particularly low-wage workers—get all the hours and pay they are entitled to. BC has seen a dramatic decrease in the enforcement of employment standards, the removal of whole groups of workers from the law's protection, and regulatory changes affecting all workers (for example, it is now more difficult to qualify for overtime pay, and the minimum shift time has been reduced from four to two hours).
- **BUDGET CUTS TO THE EMPLOYMENT STANDARDS BRANCH RESULTED IN A ONE THIRD REDUCTION IN STAFF, OFFICE CLOSURES, AND THE ELIMINATION OF ROUTINE WORKPLACE INSPECTIONS.** But most significant was the shift from having a complaint dealt with by the Branch to the introduction of a "self-help kit" (workers who feel their rights have been violated are now required, as a first step, to try to resolve the dispute on their own with their employer). The result was stunning: complaints dropped 46 per cent in the first year and by 61 per cent over the following three years.<sup>96</sup>
- **WHOLE GROUPS OF WORKERS HAVE BEEN EXCLUDED ALTOGETHER FROM MOST OF THE PROTECTIONS OF EMPLOYMENT STANDARDS.** This includes all workers in trade unions (about 34 per cent of all workers in the province), long haul truck drivers, oil and gas field workers, and farm workers.
- **MOST SERIOUSLY AFFECTED BY THE CHANGES IN EMPLOYMENT STANDARDS ARE YOUNG WORKERS, IMMIGRANTS, AND WOMEN.**<sup>97</sup> BC introduced the "first job" minimum wage of \$6/hour for the first 500 hours of work, giving BC the lowest wage for new workers in Canada. But many in this category are immigrant women with considerable work experience who find themselves confined to \$6/hour, and too often do not leave this

wage category when the “qualifying” period is up. And some young people appear to lose their jobs when the 500 hours is up.

- **FARMWORKERS, IN PARTICULAR, OFTEN WORK FOR LESS THAN THE MINIMUM WAGE, AND FREQUENTLY WORK EXCESSIVE HOURS WITH NO OVERTIME PAY.** Both migrant and immigrant farmworkers fear they will lose their jobs if they complain about their working conditions and rights violations.<sup>98</sup>
- **THE NUMBER OF CASUAL WORKERS IN BC INCREASED BY ABOUT 59,000 BETWEEN 1997 AND 2007.** The incidence of casual work increased from 10.2 to 12.3 per cent for women and from 9.4 to 10.1 per cent for men.<sup>99</sup> A survey conducted as part of the Economic Security Project challenged the view that most casual workers are such by choice: about 80 per cent of respondents said they are actively seeking permanent work.

Combined, all the regressive policy changes captured in the research findings above help to explain the paradox that currently marks the BC economy: why solid economic growth and record low unemployment in recent years have failed to deliver gains for low-income British Columbians.

To see improvements in the low-wage labour force, what is needed is more than specific policies to enhance the wages and benefits of low-wage workers; fundamentally, we need to alter the balance of power between workers and employers, such that workers can gain a larger share of provincial income. This requires that workers know their rights, feel empowered to exercise their rights, know they can challenge unfair or unjust working conditions, and trust they can rely on a decent social safety net if a transition between jobs is needed (including EI and social assistance)—and that more workers benefit from the collective strength that comes with unionization. Union coverage has been dropping in BC, from over 36 per cent of employees in 1997 to under 33 per cent in 2005, a trend that should be reversed.

Combined, all the regressive policy changes captured in these research findings help to explain the paradox that currently marks the BC economy: why solid economic growth and record low unemployment in recent years have failed to deliver gains for low-income British Columbians.

# A Plan for Reducing Poverty

## Targets and Timelines: How to Measure Success

An effective plan requires benchmarks that are well within the life of each government's mandate, so that the public can hold each government accountable for meeting the plan's goals.

NO ONE MEASURE/INDICATOR IS ENOUGH to establish and monitor a comprehensive poverty reduction plan. An effective plan must track the breadth, depth and duration of poverty; it must have indicators that focus on those populations where poverty is most acute and persistent; and it requires multiple indicators of hardship and financial stress (covering homelessness, housing insecurity, food insecurity, etc.).

There is no such thing as a perfect poverty line, so the government should choose one set of lines and commit to tracking them. Most governments these days seem to prefer the LICO after taxes. The lines are drawn every year by Statistics Canada (unlike more sporadic measures such as the Market Basket Measure), and are as useful as any line in generating detailed information about poverty over time.

As mentioned above, an effective plan also requires benchmarks that are well within the life of each government's mandate, so that the public can hold each government accountable for meeting the plan's goals.

With many of the measures below, we recommend that a trajectory line be established, so that at any point in time, the public can see to what extent the government is on-track to meet key benchmarks. In this way, if progress in any given year is less than one would expect (e.g. falls short of the needed trajectory), the government can be expected to announce additional policy measures to get back on target (in much the same way that the BC government is setting interim targets for greenhouse gas emission reductions, and the Climate Action Team is recommending that the government be prepared to boost its policy efforts if it appears that the 2020 goal is slipping out of reach).

Just as importantly, the government should avoid using false measures of success. Principal among such misleading measures is welfare caseload reductions. Falling caseloads is an indication of neither good nor bad news—it depends on why people are leaving income assistance, and what happens to those who leave or are denied access. As noted above, many of those who leave welfare remain poor, and objectives should remain focused on poverty reduction.

We recommend that the following indicators be included in the plan, and propose targets and timelines for the key measures.

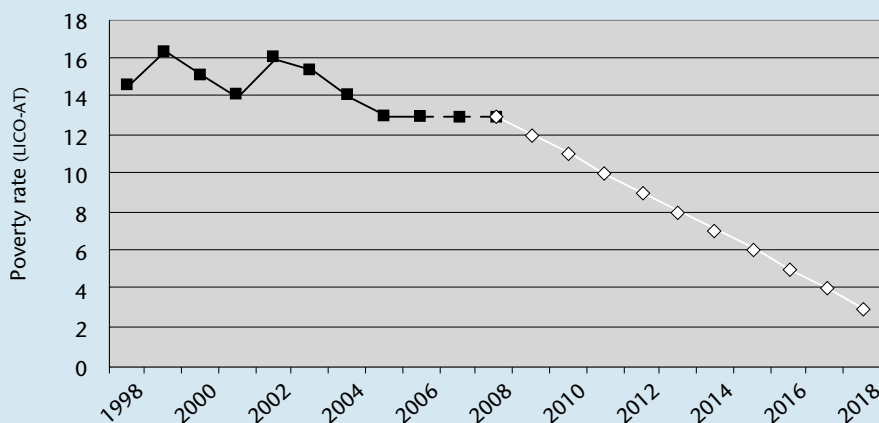
- Using Statistics Canada’s low income cut-off after tax (LICO-AT), reduce BC’s poverty rate from 13 per cent to 9 per cent in four years, and to 3 per cent in 10 years (meaning, effectively, a one third reduction within the mandate of the next government—or about 170,000 fewer people in poverty—and a 75 per cent reduction within a decade).

As noted, using the line in Figure 7, the public should be able to assess each year to what extent the government remains on target, and should expect the government to increase its policy efforts if it is failing to stay below the curve.

- Ensure the poverty rate (using the LICO-AT) for children, lone-mother households, single senior women, Aboriginal people, people with disabilities, and recent immigrants likewise declines by 30 per cent in four years, and by 75 per cent in 10 years, in recognition that poverty is concentrated in these populations.
- Within two years, ensure there are no British Columbians living 50 per cent or more below the LICO-AT.
- Eliminate street homelessness in five years.
- Reduce the share of British Columbians facing “core housing need” (and paying more than 50 per cent of their income on housing) by half by 2015.

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Figure 7: Proposed BC Poverty Rate Reduction Target and Timeline



- Improve food security for low-income individuals and families:
  - » Reduce the number of British Columbians who report both hunger and food insecurity by half within two years (based on the Canadian Community Health Survey).
  - » Reduce food bank use from 1.8 per cent to 0.5 per cent within five years, and set a date for the elimination of food banks in BC.
- Reduce the share of low-wage workers. The BC median wage was \$19 per hour in 2007. Therefore, two thirds of the median (a common measure of low-wage work) was \$12.67. BC should seek to reduce the share of workers earning less than two thirds of the median wage every year.
- Reduce the waiting list for BC Housing to less than 10,000 within four years, and to less than 5,000 within eight years. (This must not be accomplished by reducing the number of people who are eligible or by elevating qualification barriers).

## Accountability Mechanisms: Holding Government to These Targets

It is not enough merely to establish targets and timelines. The public can have confidence in these targets and timelines only if there are mechanisms to ensure the government is accountable for compliance with its commitments.

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### LEGISLATIVE MECHANISMS

- As noted, the poverty and homelessness reduction targets and timelines should be legislated, so that governments are statutorily bound to meet them.
- The lead minister responsible for the plan should be required, by legislation, to table an annual progress report (and all supporting internal benchmarking reports) in the legislative assembly, so that progress on the plan is transparent to the public year-in and year-out, and members of the legislative assembly can monitor progress and seek elaboration on government performance as required.
- A standing committee of the legislature (either new or existing) should have responsibility for monitoring the plan and helping to guide its evolution. Such a committee must have a regular schedule of meetings focusing on the plan and public consultations with relevant stakeholder groups from civil society. Reports or recommendations from such a committee must be tabled in the legislative assembly.



## CIVIL SOCIETY MECHANISMS

- The plan should have a public advisory body, appointed and funded by the government (ideally with all-party approval), made up of a broad cross-section of civil society groups, and including people living in low income.
- The provincial government could establish and adequately fund an independent research office (modeled on the federal government's National Council of Welfare) that would produce and make public independent annual progress reports, benchmark assessments, studies and research on socio-economic inequality, and monitor the government's success in meeting the plan's objectives.

## JUDICIAL AND QUASI-JUDICIAL MECHANISMS

- Introduce language into the BC Human Rights Code ensuring non-discrimination based on socio-economic status. Additionally, introduce provisions into the Code (or a new statute) requiring that the government do, and make public, socio-economic impact assessments for new policy or legislation (variants of such statutory requirements exist in Quebec and Northern Ireland). Such an approach would have the effect of mainstreaming the poverty plan at ministry and departmental/administrative levels.
- Enshrine the right to housing, the right to an adequate standard of living, and other socio-economic rights into the BC Human Rights Code.

## Policy Measures That Should be Included in a Comprehensive Plan

Meeting the above targets and timelines will require a wide range of policy tools and reforms, the cooperation of all levels of government, and collaboration between the public and private sectors (ensuring that both the labour market and government programs do their share of the “heavy lifting,” and that efforts by one sector are not undermined by another). Policies are needed to: i) boost the incomes of those without employment; ii) boost the incomes and working conditions of those in the low-wage workforce; and iii) enhance the public services and supports that are important to the economic security of all low-income people.

Low-income people need more than just money; they need improvements and additions to the public services and social goods upon which all low and middle-income people rely. When governments provide more services collectively this takes pressure off low-income individuals, families, and communities, as well as employers, making it easier to make ends meet.

In what follows, we outline a strategy for combating poverty in BC, focused around seven primary objectives. These seven areas for provincial government action should be the foundation of a strong, effective poverty reduction strategy that targets both the *depth* and *breadth* of poverty in BC. For most of these overall objectives, we have identified priority initiatives for immediate action that, if implemented, would result in a direct and significant

improvement in the lives of low-income individuals and families struggling to make ends meet. Subsequently, we list numerous policy recommendations (drawn mainly from the work of the Economic Security Project) for each of the seven objectives, the staging/prioritization of which should be the subject of public consultation, particularly with those groups most affected by these policy areas.

Where we have been able to estimate cost, we note it. Unless otherwise stated, these figures come from our own calculations based on provincial government budget estimates. Importantly, many policy recommendations do not have a direct cost to the government, or the cost is inconsequential (these recommendations are noted with an asterisk\*), and these can easily be done quickly—most notably, increasing the minimum wage.

The seven overarching objectives and priority actions are as follows:

## 1. PROVIDE ADEQUATE AND ACCESSIBLE INCOME SUPPORT FOR THE NON-EMPLOYED

The current income assistance system in BC is fundamentally broken. People in desperate need are being denied assistance, and if lucky enough to navigate all the structural and administrative barriers to welfare, they are subjected to a life of “survival,” struggling to meet the most basic needs.

The current income assistance system in BC is fundamentally broken. People in desperate need are being denied assistance, and if lucky enough to navigate all the structural and administrative barriers to welfare and have their application accepted, they are subjected to a life of “survival,” struggling to meet the most basic needs of shelter and food.

### PRIORITY ACTIONS:

- Immediately increase income assistance and disability benefit rates by 50 per cent and index them to inflation (approximate cost: \$500 million).
- Ensure income support is accessible to those in need by removing the arbitrary barriers that discourage, delay and deny applicants (approximate cost: \$200 million<sup>100</sup>).

## 2. IMPROVE THE EARNINGS AND WORKING CONDITIONS OF THOSE IN THE LOW-WAGE WORKFORCE

Earnings are by far the most important source of income for Canadians under 65, so it makes sense to address workplace issues as a major feature of any poverty reduction strategy. Earnings must be high enough to enable people to make ends meet. Governments must acknowledge this. There is no point stressing the value of paid work if the minimum wage is far too low to earn a non-poverty income, if there are far too many low-wage jobs, or if the needs of families are not addressed by “living wage” arrangements.

### PRIORITY ACTIONS:

- Immediately increase the minimum wage to \$10.60/hour (and eliminate the \$6/hour training wage), and index the wage to inflation (\*no significant cost to government).
- Restore the number of employment standards officers, increase pro-active enforcement of the Employment Standards Act, and eliminate the “self-help” kit, so that workers can more readily report workplace violations and access the earnings to which they are entitled (approximate cost: \$2 million<sup>101</sup>).

### 3. ADDRESS THE NEEDS OF THOSE MOST LIKELY TO BE LIVING IN POVERTY

Almost all jurisdictions that have established anti-poverty initiatives recognize the importance of focusing efforts on those groups with consistently high poverty rates, such as Aboriginal people, people with disabilities (including mental illness), recent immigrants and refugees, single mothers, and single senior women. As well as implementing measures that address the specific structural barriers faced by each group, a more comprehensive approach is to incorporate a “marginalization lens” through which to evaluate all initiatives for their impact and effectiveness in addressing the poverty issues of these disadvantaged groups.<sup>103</sup>

### 4. IMPLEMENT INITIATIVES TO ADDRESS HOMELESSNESS AND THE LACK OF AFFORDABLE HOUSING

BC has the worst record of housing affordability in Canada and ever-increasing numbers of homeless people. Market housing development is far outstripping the building of social housing (three to one in the Downtown Eastside of Vancouver), and the demand for publicly-subsidized housing is growing. Renters bear the brunt of the housing crunch—renters are currently facing large-scale evictions and increasingly high rental prices, with little protection from the government.

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#### The Living Wage

The CCPA, First Call: BC Child and Youth Advocacy Coalition, and the Community Social Planning Council of Greater Victoria recently produced a report calculating a living family wage for Metro Vancouver and Greater Victoria.<sup>102</sup> The 2008 living wage in Vancouver is \$16.74 an hour, and \$16.39 in Victoria. A “living wage” is one of the most powerful tools available to address poverty. For those employers committed to ending child poverty, this is truly where real improvements can be made.

A living wage is not the same as the minimum wage, which is the legal statutory minimum all employers must pay. The living wage calls on public and private sector employers to voluntarily meet a higher test, for both their direct staff and their main contractors. It reflects what a family needs to bring home, based on the actual costs of living and raising children in a specific community. It would allow families to escape poverty and severe financial stress, participate fully in their communities, and ensure healthy child development.

The Vancouver/Victoria calculation includes basic expenses (such as housing, food, clothing, child care and transportation) for a family of four with two wage-earners and two young children, and also incorporates government taxes, credits, and subsidies. It assumes both parents are working full time. (Importantly, the living wage calculation is also enough for a single parent with one child, although a single parent with two children would have a much tougher time.) The living wage is a conservative calculation, without the extras many of us take for granted. For example, it does not include money for debt payments, or for retirement or post-secondary savings (RRSPs or RESPs), and the amounts for recreation and emergencies are very modest.

**PRIORITY ACTION:**

- Immediately start building over 2,000 *new* units of social housing per year, not counting conversions, rental subsidies, or shelter spaces (approximate cost: \$400 million per year in capital expenditures).
- Increase the number of supported housing units for people with mental health and/or addiction issues.

**5. PROVIDE UNIVERSAL PUBLICLY-FUNDED CHILD CARE**

A comprehensive early learning and child care program, including provisions for special needs children and pay increases for child care workers (most of whom earn less than the living wage), is a high priority for the province.

A comprehensive early learning and child care program, including provisions for special needs children and pay increases for child care workers (most of whom earn less than the living wage), is a high priority for the province. The Vancouver/Victoria living wage calculation<sup>104</sup> showed that child care fees represent the second-largest expense for the young family modeled in the calculation (after housing). Providing this service publicly would remove a huge financial burden from thousands of low-income households.

**PRIORITY ACTION:**

- Within one year, develop a comprehensive plan and timeframe for the implementation of a high-quality, universal, publicly-funded early learning and child care program. Initial phase-in should start immediately. (Fully implemented, the net operating cost is approximately \$1.2 billion per year, but full implementation would take a number of years.)

**6. PROVIDE SUPPORT FOR TRAINING AND EDUCATION**

The linkages between expanding education and reducing poverty are self-evident. Meaningful, long-term training and education must be offered and supported, so that low-income women and men can access stable, well-paying jobs.

**PRIORITY ACTIONS:**

- Immediately increase the availability of post-secondary grants for low-income students (cost would depend on the size of the program, but not significant).
- Rescind the rule that does not permit income assistance recipients to retain benefits while attending a post-secondary institution (\*cost is inconsequential).

**7. PROMOTE THE HEALTH OF ALL BRITISH COLUMBIANS**

Poverty is an underlying social determinant of ill health, so all of the above objectives will have a direct impact on improving the health of low-income people. That said, government provision of essential health services and community health care—home care, home support, assisted living, long-term care, and community mental health services — should

## The Role of the Federal Government

The province and the labour market cannot do this alone. While this report deals specifically with the leadership role of the BC government, and most of the policy recommendations pertain to the provincial domain, the province cannot meet all its poverty reduction goals without help from the federal government. Moreover, there are some specific areas where action is needed that fall within federal jurisdiction. In particular:

- Significantly reducing child poverty requires federal government action on a number of fronts. First, the government must increase the Canada Child Tax Benefit / National Child Benefit Supplement. Campaign 2000, the national umbrella group focused on ending child poverty, has called for the CCTB/NCBS to be increased from the current maximum of \$3,271 per child to \$5,194 per child per year. Second, the federal government must increase the income threshold at which the CCTB begins to be reduced. Finally, the federal government must require that provinces not claw back any part of the CCTB from provincial social assistance benefits (as currently occurs in BC).
- Ideally, the federal government should implement a national housing strategy, which would see it fully partner with the provinces in building new affordable housing units (but in the absence of this, the province must act on its own).
- Low-income individuals and families would benefit if the federal GST credit was increased, and the income threshold at which the credit is reduced was increased (as the GST credit acts as a targeted benefit that goes to all low-income people, regardless of their source of income or whether they pay income taxes).
- The federal government should adopt a national child care plan, and partner with the provinces in funding and building a fully publicly-funded, adequate, and universal program.
- Employment Insurance comes under federal jurisdiction and, like social assistance, it has become much more difficult to qualify in recent years (currently, a minority of unemployed workers qualify for EI benefits). As we head into a recession, now is the time to ease the rules governing EI eligibility, increase EI benefit rates (currently they average \$335 per week), and extend the duration of EI coverage (which currently averages just 32 weeks). Women's access to maternity and parental benefits must be similarly improved, both in terms of qualification and benefit level.
- The income security needs of seniors are primarily a federal responsibility, as Old Age Security and the Guaranteed Income Supplement for low-income seniors are direct federal transfers to seniors. These programs have, historically, played an important role in reducing poverty among seniors, such that the poverty rate for seniors is lower than for others. This has been one of Canada's most significant social policy success stories, but the task is not complete, particularly for unattached senior women. Increasing the GIS is a priority.
- There is a clear federal responsibility in addressing poverty among Aboriginal people, recent immigrants and refugees, and people with disabilities. These populations, where poverty is most acute, are too often caught in a jurisdictional tug-of-war between the federal and provincial governments. The federal government is responsible for and funds many Aboriginal and on-reserve programs, it sets immigration/refugee levels and should help fund more settlement services, and people with disabilities are affected by federal employment programs and Canada Pension Plan policies.

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be enhanced and expanded. These services are particularly important to lower-income seniors (mainly women) and to people with physical and mental disabilities, and the people who provide these services are primarily low-wage women (a majority of whom are recent immigrants).

**PRIORITY ACTION:**

- Expand home support and residential care services, and increase the number of residential care beds (approximate cost: \$100–200 million in annual operating costs, plus capital costs for residential care beds, but with future savings to the acute care system).

These seven objectives must be addressed in a comprehensive manner. A poverty reduction strategy is necessarily complex, because the needs of poor people differ and the causes of poverty are multifaceted. There is no one policy that alone will work wonders such that other policies can be ignored.

The task of truly eliminating poverty and homelessness requires the efforts of all sectors of society: governments, the private for-profit sector, the non-profit sector, community organizations, and others.

## It Takes a Whole Community

The task of truly eliminating poverty and homelessness requires the efforts of all sectors of society: governments, the private for-profit sector, the non-profit sector, community organizations, and others. People in poverty need higher earnings, improved public income support and public services, and enhanced community supports (whether it is access to child care, after-school and summer programs, adult education, immigrant settlement services, or other programs that foster social inclusion). Municipal governments have a role to play in providing public recreation programs and services in all neighbourhoods and ensuring that fees are not a barrier for low-income individuals and families. Community members must work together to make their neighbourhoods fully inclusive.

This recognition is at the heart of the approach taken by Vibrant Communities, a model developed in Ontario, which now has chapters in Victoria, Surrey and Abbotsford. The Vibrant Communities website—[www.vibrantcommunities.ca](http://www.vibrantcommunities.ca)—offers documentation on the model, and links to a wide array of tools related to poverty reduction, collaborative organizing, and community initiatives.

The Vibrant Communities model emphasizes partnerships at the community level, identifying and mobilizing community assets and putting them to use in poverty reduction, and initiatives aimed at improving the quality of life for everyone. It is an approach to poverty reduction that allows communities to learn from and help each other, by linking communities across Canada, from British Columbia to Newfoundland, in a collective effort to test the most effective ways to reduce poverty at the grassroots level.

Importantly, the model also emphasizes that people who have experienced poverty first hand must be central to the work of Vibrant Community initiatives.

Does it work? At the outset in 2002, Vibrant Communities aimed to reduce poverty for at least 5,000 households in Canada. As of December 2006, Vibrant Communities Trail Builders (six of the 15 Vibrant Communities) had reduced poverty for over 32,000 Canadians.

THE FOLLOWING SECTION gives more detail on the priority actions, and outlines further policy recommendations directed to the BC government within the seven policy areas. Some of these measures are vital to alleviating current poverty, while others speak to the programs and supports needed to prevent people falling into poverty.

## Objective 1: Provide Adequate and Accessible Income Support for the Non-Employed

### INCOME ASSISTANCE BENEFIT RATES MUST BE INCREASED IMMEDIATELY AND INDEXED

In its 2007 budget, after many years of benefit rates being either frozen or cut, the provincial government announced a modest increase to income assistance rates. In real dollars, however, these increases have effectively brought after-inflation benefit rates only to where they were in the mid-to-late 1990s. These increases are not enough. People on welfare have the right to live with dignity, without having to resort to charities or to other desperate measures such as survival sex or crime, or remaining in or entering abusive relationships.

Both regular and disability benefit rates need to be immediately increased by 50 per cent (at a cost of approximately \$500 million), and then indexed to increases in the cost of living (such as the CPI). Newfoundland and Labrador has increased welfare rates as part of its poverty reduction strategy and now has the highest benefits in the country. In 2007 Newfoundland also became the first province in Canada to index welfare rates to inflation.

Higher welfare rates would allow parents to provide more adequately for their children and therefore reduce stress on families. As child welfare concerns are most often a result of families living in poverty, this would decrease the need for interventions from the Ministry of Children and Family Development.

Ultimately, social assistance benefit rates must be tied to a realistic and reasonable estimate of the actual basic cost of living. Market-basket measures developed by the Social Planning and Research Council of BC and by Human Resources and Social Development Canada both suggest that welfare rates would need to be about double the current level to meet minimum living costs.<sup>105</sup> The immediate 50 per cent increase should be part of a staged schedule for reaching either the SPARC or MBM level.

People on welfare have the right to live with dignity, without having to resort to charities or to other desperate measures such as survival sex or crime, or remaining in or entering abusive relationships.

### THE PROCESS OF APPLYING FOR WELFARE MUST BE REDESIGNED TO HELP PEOPLE IN NEED

Some of those who are discouraged, delayed and denied may well land on their feet and find paid employment (historically, most of those seeking assistance needed support only for a few months). But ESP research indicates that many of those diverted from welfare experience great hardship, including homelessness, and some end up living on virtually no income. Among the changes needed:

- **THE TWO-YEAR INDEPENDENCE TEST AND THREE-WEEK WAIT MUST BE DISCONTINUED.** These rules have resulted in undue hardship and homelessness. The ministry's current attempts to make these rules workable (by increasing the use of Emergency Needs

Assessments and funding outreach programs aimed at getting homeless people onto assistance) merely highlight the fact that the rules are fundamentally inappropriate and unjust for the vast majority of people in need of assistance.

- **THE USE OF TECHNOLOGY IN THE APPLICATION PROCESS MUST BE CONVERTED TO A SERVICE DELIVERY OPTION, RATHER THAN A REQUIREMENT.** The increasing use of technologies such as the 1-800 number and on-line orientation has played a role in preventing legitimate claims from being fulfilled.
- **THE ENTIRE APPLICATION PROCESS FOR INCOME ASSISTANCE SHOULD BE THE SUBJECT OF AN INDEPENDENT PUBLIC REVIEW.** This review must examine whether legitimate claims are being denied, and whether the process is assisting rather than discouraging individuals in need. Most significantly, a review must follow up on what happens to individuals who are diverted from applying for assistance. A clear option is for the Office of the Auditor General to assess the effectiveness and appropriateness of the ministry's eligibility process.

In all, these measures aimed at improving access to income assistance would lead to a modest increase in the welfare caseload, which we estimate would cost about \$200 million per year.

#### **THE GOVERNMENT MUST MAKE A COMMITMENT TO CATEGORIZE WELFARE CLIENTS APPROPRIATELY, AND IN A TIMELY MANNER\***

Welfare recipients are often held in the Expected to Work category for years and required to jump through employment hoops that are fundamentally inappropriate. Those who face barriers to employment must have this status recognized quickly, and once re-categorized, should have their benefits back-dated at the higher level to the date the ministry received their application for PWD or PPMB status.

\*As noted on page 34, recommendations with an asterisk do not have a direct cost to the government, or the cost is inconsequential

### **The Role of Advocacy: Making Rights and Access to Services Real**

A common theme emerging from many ESP studies is the vital role played by advocates and advocacy organizations. Very often, access to services remains out of reach, and basic rights remain mere “paper rights,” unless someone has the good fortune or the wherewithal to connect with an advocate—someone familiar with the rules and regulations governing social programs and workplace protections. And, there are never enough advocates for the numbers of people in need.

Whether the issue is accessing basic income assistance, disability benefits, community health services, social housing, employment standards protections, or child care subsidies, too often people in need encounter a *paper wall* of discouraging forms, and multiple other barriers, including the increasing use of technology. If people are to access the rights and services to which they are entitled, either the system must be simplified and/or the government must adequately fund community advocates who can help those in need navigate the system. We would like to see an expansion of and more support for welfare and mental health and disability advocates, seniors advocates, worker assistance centres, immigrant and refugee service organizations, and women's centres (which traditionally act as a hub for many of these advocacy services, particularly in smaller communities). The recent announcement that the government will open two residential tenancy offices in Downtown Vancouver is welcome, but more are needed throughout the province. The government should also restore adequate funding for poverty and family law legal aid, so that, when needed, lawyers can help low-income people appeal decisions by governments, and challenge the actions of landlords, employers, or ex-partners. Particular attention should be paid to the availability of all the above services in rural BC.



## ALLOW ALL PEOPLE ON INCOME ASSISTANCE TO HAVE EARNINGS EXEMPTIONS, AND ALLOW PARENTS TO KEEP \$100 FROM CHILD SUPPORT PAYMENTS

Without an earnings exemption, every dollar earned is a dollar taken off a monthly income assistance cheque. That is a tax of 100 per cent on the earned income of welfare recipients. BC is the only province in Canada that does not allow all income assistance recipients to keep some of the money they earn. Without an earnings exemption, it can be hard for people to transition off assistance and back into the paid workforce. A flat-rate earnings exemption should be reintroduced, along with a graduated earnings clawback above the flat rate exemption. In 2002, the government eliminated the family maintenance exemption, which previously allowed those receiving child support payments to keep \$100 per month. Currently, child maintenance payments are clawed back from the first dollar. The approximate cost of these measures is \$20 million per year.<sup>106</sup>

BC is the only province in Canada that does not allow all income assistance recipients to keep some of the money they earn. Without an earnings exemption, it can be hard for people to transition off assistance and back into the paid workforce.

## THE REGULATIONS AND ADMINISTRATIVE PRACTICES THAT PERMIT PEOPLE TO BE CUT OFF WELFARE, EVEN TEMPORARILY, MUST BE REVISITED\*

People are being unjustly cut off assistance, rather than receiving the support they actually need. People who are not imminently employable are being cut off for not complying with employment plans—a circumstance that is unreasonable and unjust. The two-year time limit rule should be eliminated. It is arbitrary and risks unacceptable harm. Decisions about cutting people off welfare, even temporarily, must be much less arbitrary, and should never be made by a single financial aid caseworker. Cut-off determinations should require an internal consultation with the ministry's regional manager (who should be accountable for every cut-off decision).

## MORE MEANINGFUL EDUCATION AND EMPLOYMENT SUPPORTS MUST BE PROVIDED TO INCOME ASSISTANCE RECIPIENTS

Countless studies have illustrated how low levels of education and literacy are key factors in remaining in poverty. While recognizing that some people will appropriately never move off income assistance, other recipients will aspire to move into paid employment. This latter group must be provided with a level of education and employment supports that can make this possible, and that truly represent a path out of poverty. The training and supports provided must be individualized and nurturing, offering one-on-one assistance to people that addresses personal barriers to employment. The rule that prevents people on social assistance from being post-secondary students must be rescinded, and recipients should be able to participate in adult basic education, literacy, English as a second language programs, and up to three years of post-secondary education or training without losing their income assistance benefits.<sup>107</sup>

## WELFARE CLIENTS SHOULD BE ASSIGNED TO A CONSISTENT CASEWORKER\*

Currently, clients do not have a consistent caseworker. This makes it difficult for both the client and the caseworker to work collaboratively in developing a path out of poverty, based on the unique circumstances and needs of the income assistance recipient.

## Objective 2: Improve Earnings and Working Conditions for Low-Wage Workers

About 3.2 per cent of British Columbians rely on income assistance, whereas 13 per cent of British Columbians live in poverty. Thus, most poor people fall into a category that is commonly referred to as “the working poor.” Of course, many people who have only welfare as an income source also work hard, for example, as unpaid caregivers. But many poor people are poor despite working full time in the paid labour force, and a majority of poor children live in households with parents working at least the equivalent of a full-time, full-year job. Consequently, an effective poverty reduction plan also needs to address the particular problems of those who struggle in the low-wage workforce. These recommendations to the provincial government would significantly improve the economic security of BC’s low-income workers by raising their employment incomes and improving their working conditions.

Most poor people in BC fall into a category that is commonly referred to as “the working poor,” and a majority of poor children live in households with parents working at least the equivalent of a full-time, full-year job in the paid labour market

### INCREASE THE MINIMUM WAGE AND INDEX IT TO INFLATION\*

The minimum wage should be set such that a single person working full-time, full-year in the paid labour force has an income above Statistics Canada’s low income cut-off in a major urban centre. In 2008 dollars, this would be about \$10.60/hour. Indexing minimum wages to annual increases in inflation would end the cut to minimum wages when the nominal value is frozen. It would also provide employers with increased certainty—with scheduled annual adjustments they would know what to expect and could plan for the upcoming increases in their wage bill. Employers in sectors where many of their employees earn minimum wages would all be on a level playing field. The province should also eliminate the \$6 “training” wage.

### ADOPT AND SUPPORT “LIVING WAGE” POLICIES

The BC government should commit to becoming a living wage employer (see *The Living Wage* on page 35)—adopting the wage for both its direct staff and main contractors—and it should require the same of health authorities, post-secondary institutions, and crown corporations. Municipal governments and school boards should also become living wage employers. That is, all public sector employees and contractors should be covered, thereby setting a new standard, and encouraging a positive ripple effect through the local low-wage labour market.

### EMPLOYMENT STANDARDS

- **EXPAND COVERAGE OF THE EMPLOYMENT STANDARDS ACT (ESA)\*:** All workers, including all unionized workers, independent contractors, agricultural workers, and truck drivers, should be covered by the ESA. To increase employment, job, and work security, it is necessary to ensure that the regulations around termination notice, dismissal, minimum notice about working time, parental leave, vacation pay, overtime pay, and maximum and minimum work hours apply to all workers, regardless of their contract status.

## Ending the Fragmentation and Clawbacks of Federal and Provincial Low-Income Benefits

Currently, many low-income benefits begin to be reduced at income thresholds that are far too low (well below a family living wage). When benefits are “stacked” they result in low-income households being hit with extremely high effective marginal tax rates such that an increase in labour market earnings results in little or no improvement to take-home income.

Stacking effects occur when different benefits have overlapping income thresholds and reduction rates. Stacking effects can be exacerbated if there is a lack of integration between labour market policies, taxation and statutory deductions, income transfer benefits, and income tested social benefits.

Take, for example, the case of a two-parent family with two children in BC (with one adult working full-time, full-year). If the employed parent was earning \$16/hour (enough for the family to reach the after-tax poverty line), the family would retain only 21 per cent of increased earnings because of a reduction in the Canada Child Tax Benefit, the entire loss of the provincial rental supplement, and a relatively modest increase in income and payroll taxes.<sup>108</sup>

As was highlighted in the recent living wage report from CCPA, First Call, and the Victoria Community Council,<sup>109</sup> families are often kept from getting further ahead, even with a sizeable increase in earnings, because:

- The National Child Benefit Supplement is targeted to very low-income earners with children and declines as earnings increase beyond a very low threshold. The maximum current benefit goes to families with net incomes no greater than \$20,883.
- Many low-income families do not qualify for the BC Rental Assistance Program, which does not provide benefits to families with gross earned income of over \$35,000.
- The GST credit begins to be reduced at a low income, and ceases entirely when a family of four reaches an income of \$46,616.
- The provincial child care subsidy starts to decline once a family of four has a monthly net income of \$1,933, and ceases entirely by the time the family reaches the living wage income.

There are even some scenarios where earning a few extra dollars actually leaves a household further behind. Take the case of a family which relies mainly on earned income, that lives in subsidized rent-geared-to-income housing and also receives a variety of child benefits, tax credits, subsidies for child care, and assistance with medical expenses. All these benefits have thresholds for maximum benefits, and all provide for reductions in benefits as income grows past the thresholds. Add in increases in taxes and other payroll deductions, and the total losses could actually outweigh the total gains at certain income levels. It is important to find ways of reducing this “stacking effect.”

Many low-income benefits begin to be reduced at income thresholds that are far too low. When benefits are “stacked” they result in low-income households being hit with extremely high effective marginal tax rates such that an increase in labour market earnings results in little or no improvement to take-home income.

The “self-help” kit is a clumsy and complicated document. Not a single participant interviewed for the Economic Security Project studies used it, despite experiencing repeated violations of the ESA. Workers need easy and speedy access to a third party to mediate a complaint.

- **RESTORE THE NUMBER OF EMPLOYMENT STANDARDS OFFICERS AND ELIMINATE THE “SELF-HELP” KIT\*:** The shift from proactive monitoring to self-reporting in the enforcement of workplace violations should be reversed. The “self-help” kit is a clumsy and complicated document. Not a single participant interviewed for the ESP studies used it, despite experiencing repeated violations of the ESA. Workers need easy and speedy access to a third party to mediate a complaint. The kit should be replaced with proactive monitoring and real enforcement by employment standards officers, as well as a community-based, non-profit system that would provide assistance, including advocacy, to workers who feel their rights have been violated. The idea that governments should enforce compliance with labour codes is endorsed by the Arthurs report on Canadian federal labour standards.<sup>110</sup> Without a vigorous monitoring and enforcement system, workers’ rights are “paper rights” only.
- **REVERSE DETRIMENTAL CHANGES MADE TO THE ESA\*:** A number of damaging changes were made to the ESA in 2002 that need to be reversed, such as the reduction of the minimum call-in period from four hours to two hours. Two hours of pay is inadequate, particularly when workers must commute long distances, arrange child care, and so on, to be able to get to the workplace. There also needs to be improvements to the regulations around overtime, working conditions, pay, and termination notice.
- **RESTORE MANDATORY POSTING OF THE ESA IN THE WORKPLACE\*:** Workplace rights are meaningful only if workers know them and feel able to demand and exercise them. The language of the ESA should be accessible and also exist in pamphlet format and in multiple languages.

## TEMPORARY AND CASUAL WORKERS

- **REMOVE BARRIERS TO UNION MEMBERSHIP\*:** Trade unions play a vital role in increasing the wages and bargaining strength of casual, temporary and low-wage workers. Those with union representation are much more likely to secure higher wages and benefits, and are less likely to have to juggle multiple jobs to make ends meet. BC’s Labour Relations Code should be amended to make it easier for workers to win union certification and first contracts.
- **INCREASE ACCESS TO NON-WAGE BENEFITS:** Casual workers have, at best, sporadic access to benefits if they are employed intermittently or if they are defined as self-employed. To improve the economic security of all workers, it is necessary to increase access to non-wage benefits, such as extended health and dental benefits and paid leave entitlements for sick days, and expand eligibility for “care” entitlements, like parental leave through Employment Insurance. All workers, regardless of employment status, should have access to these benefits.
- **FACILITATE THE TRANSITION FROM CASUAL TO PERMANENT WORK\*:** Transition from casual to permanent work can be facilitated by improving access to education and training, and providing forms of income support to enable individuals to take advantage of these opportunities. Legislation can also require that employers create permanent positions for long-time casual workers (Australia and the European Union have such regulations).<sup>111</sup> Of course, provision of affordable, adequate child care is important in enabling these transitions.

\*As noted on page 34, recommendations with an asterisk do not have a direct cost to the government, or the cost is inconsequential.

## The Role of Business and Employers

The private sector also has an important role to play in reducing poverty, a role that must go well beyond charitable giving.

First and foremost, employers should strive to pay the living family wage (\$16.74 in Metro Vancouver and \$16.36 in Greater Victoria), and avoid contracting out work in an effort to reduce costs (if the savings are primarily made by a contractor paying less than the living wage). As noted earlier, while tackling *deep* poverty is primarily the responsibility of government (by making income assistance adequate and accessible), reducing the *breadth* of poverty is primarily in the hands of the private sector and will be achieved through higher earnings. Given that a majority of poor children live in households where at least one parent works, paying the living wage is vital to the fight against child poverty, and would of course significantly benefit low-income workers without children.

The living wage can be attained through a combination of wages and benefits. The cash component of the living wage can be less if, for example, an employer pays for some or all of MSP premiums, provides extended health benefits, subsidizes public transit passes, or provides employee child care.

Flexible employment practices (such as the four-day work week or nine-day fortnight) and other family-friendly workplace policies (such as regular shift times and paid sick/family time) can go a long way toward helping families juggle the obligations of work and home. And helping employees access training and upgrade their education (ideally with subsidized or paid leave) represents a concrete way in which employers can help their staff toward higher-paying work.

Respecting (and ideally surpassing) employment standards is also vital. Businesses need to pay workers what they are owed, pay overtime, make shifts of adequate duration, and provide holiday time/pay.

Some businesses (particularly those in the real estate sector) have a particular role to play in increasing the stock of low-income and affordable housing. This may be in partnership with government and/or non-profits, or may simply entail making more low-income housing an important share of any new housing development.

Crucially, businesses also have an important advocacy role to play in pushing for a poverty reduction strategy and the specific policy recommendations outlined in this report. Governments listen to employers. Businesses need to add their voices to the call for poverty reduction targets and timelines. Furthermore, employers could reduce the effective living wage they would have to pay by advocating for public policies such as a higher Canada Child Tax Benefit, more affordable housing, universal publicly-funded child care, and lower public transit fares.

Businesses have an important advocacy role to play in pushing for a poverty reduction strategy. Governments listen to employers. Employers could reduce the effective living wage they would have to pay by advocating for public policies such as a higher Canada Child Tax Benefit, more affordable housing, universal publicly-funded child care, and lower public transit fares.

## IMMIGRANT AND MIGRANT FARMWORKERS<sup>112</sup>

Migrant and immigrant farmworkers are rightly concerned about their safety and living conditions. Without regular, random and unannounced visits, Employment Standards Act and WorkSafeBC regulations cannot be enforced.

- **RESTORE OVERTIME PAY, STATUTORY HOLIDAYS, AND ANNUAL VACATIONS FOR FARMWORKERS\***: In 2003, the BC government excluded farmworkers from these entitlements. Some migrants work 60 to 70 hours a week in peak harvest season, with no overtime pay. Farmworkers' rights should be identical to those of any other worker in BC.
- **ESTABLISH PIECE RATES THAT ARE EQUIVALENT TO THE MINIMUM WAGE\***: Many immigrant farmworkers work for less than BC's minimum wage. In 2003, the government reduced the minimum piece rate payable to farmworkers by approximately 4 per cent. If farmworkers are to be paid a piece rate it must be set at a level, as in Ontario, that allows them, with reasonable effort, to earn at least the minimum wage for the hours they work. Piece rates are a precarious source of income, and the practice should be reconsidered. Ideally, an hourly wage system could be applied to all farmworkers, as is already the case under the federal Seasonal Agricultural Workers Program.
- **STRENGTHEN INSPECTIONS AT FARM SITES AND RESTORE PROACTIVE MONITORING TEAMS SUCH AS THE AGRICULTURE COMPLIANCE TEAM (ACT)\***: A monitoring team would be able to identify hazardous workplaces where workers' rights are violated. Such a team could also protect employees against arbitrary and wrongful dismissal. Migrant and immigrant farmworkers are rightly concerned about their safety and living conditions. Without regular, random and unannounced visits, Employment Standards Act and WorkSafeBC regulations cannot be enforced. Farmworkers are not free to speak about their employment conditions and do not know how to register their complaints unless inspectors know their native languages.
- **REVIEW THE FARM LABOUR CONTRACTING (FLC) SYSTEM AND CONSIDER THE ESTABLISHMENT OF A NEW NON-PROFIT HIRING HALL MODEL FOR ALL FARMWORKERS—IMMIGRANT AND MIGRANT\***: Farmworkers are vulnerable to the arbitrary power of farm labour contractors and fear they will lose their jobs if they complain. It is time to replace the private FLC system. A new non-profit program could become the exclusive supplier of labour and require growers to hire through a regulated system/hiring hall. This new non-profit hiring model should be extended to migrant workers too, so they would no longer be hired by and bound to a single employer. Included in this new model should be the establishment of independent, local agricultural human resources centres that function as a support mechanism for farmworkers and provide safe transportation.

## Objective 3: Address the Needs of Those Most Likely to be Living in Poverty

Based on the poverty characteristics of these populations outlined earlier in this report, the following specific policy changes are recommended in addition to relevant policies contained in other sections.

### ABORIGINAL POPULATION

- **RESTRUCTURE FEDERAL AND PROVINCIAL FUNDING TO BETTER ADDRESS THE NEEDS OF ALL ABORIGINAL PEOPLE, INCLUDING THE LARGE OFF-RESERVE POPULATION\*:** Over the last few years, the Aboriginal population has been migrating to urban centres in greater numbers, but there is still little support in place for this transition. In 2006, 74 per cent of the total Aboriginal population in BC lived off-reserve, but 91.5 per cent of federal funding was targeted at reserve-based populations, either directly or indirectly.<sup>113</sup>
- **PROVIDE MORE SOCIAL HOUSING AND MAINTAIN THE EXISTING HOUSING STOCK IN GOOD CONDITION:** Both government and service providers agree that Aboriginal housing services should be delivered by Aboriginal organizations. More family housing is needed for the urban Aboriginal population—among the over 1,000 active applications for social housing operated by the Vancouver Native Housing Society, the four-bedroom units are the most popular and the waiting period can be up to 10 years.<sup>114</sup>
- **OFFER MORE CULTURALLY APPROPRIATE TREATMENT AND PREVENTION MEASURES:** Treatment and prevention measures should be guided by native healing practices and delivered, where possible, by Aboriginal people.
- **PROVIDE MORE SUPPORT FOR TRAINING AND EDUCATION:** Incorporate more Aboriginal-specific training in high school, offer Aboriginal adult basic education courses, and increase trade programs. Make the transition to post-secondary institutions easier, through the introduction of orientation tours, on-reserve university workshops concentrating on eligibility requirements, and Aboriginal liaisons on campus.<sup>115</sup>
- **INITIATE SUPPORT PROGRAMS FOR MIGRATION TO URBAN CENTRES:** Aboriginal people moving to urban centres, particularly youth, should be provided with orientation services, similar to those offered or needed by immigrant populations.<sup>116</sup> This could include an urban orientation manual and an organization operating as a first point of contact providing information for city living, including housing, education, and employment services.

Aboriginal people moving to urban centres, particularly youth, should be provided with orientation services, similar to those offered or needed by immigrant populations.

## PEOPLE WITH DISABILITIES

The monthly income assistance rate for people with disabilities should be \$1,658. PWD designation should be permanent, to allow people to suspend benefits during periods of wellness with the security of knowing they can resume benefits when needed.

- **INCREASE DISABILITY RATES AND INDEX TO INFLATION:** The monthly PWD rate for a single person should be \$1,658, which represents the amount SPARC has determined as the minimum a person without disabilities needed to live in BC in 2007, plus the amount that the ministry added to its basic income assistance rate to accommodate the additional costs of living with a disability before the shelter increase implemented in 2007.<sup>117</sup>
- **MAKE PWD A PERMANENT DESIGNATION\*:** Making PWD designation permanent would allow people to suspend benefits during periods of wellness with the security of knowing they can resume benefits when needed. The provincial government should ensure rapid reinstatement, as in Alberta. The present BC policy, while allowing for reinstatement, is unclear on time limits and eligibility.
- **INCREASE THE AMOUNT OF FUNDING FOR SUPPORTS TO EMPLOYMENT AND TRAINING FOR PWD AND PPMB CLIENTS:** In particular, the provincial government should provide stable, long-term (i.e. four-year) funding for three to five social enterprise coordinating groups around the province to support business development and ongoing social supports for social enterprises employing people with disabilities and/or a combination of people with disabilities and people without disabilities.<sup>118</sup>
- **INCREASE EARNINGS EXEMPTIONS FOR PEOPLE WITH DISABILITIES, AND MAKE THEM MORE FLEXIBLE\*:** The \$500 flat rate earnings exemption should be maintained, but supplemented with a 50 per cent reduction on the next \$1,400 in earnings, for a total monthly earnings exemption of \$1,200 for a single adult. This would enable more people with disabilities who are receiving benefits to increase their engagement with the labour market. Additionally, the province should develop “working credits” to even the flow of earnings exemptions. Working credits would average earnings exemptions over time, so that a person who works significant hours in a short timeframe is not penalized, and can “bank” their earnings exemption for months when they are not able to work. A working credits system is in place in Australia.

## RECENT IMMIGRANTS AND REFUGEES

- **GUARANTEE ACCESS TO INCOME ASSISTANCE FOR ALL REGARDLESS OF CITIZENSHIP STATUS:** Technically, immigrants and refugees can access income assistance but, in reality, access is restricted. For sponsored immigrants, any benefits received must be paid back by the sponsor, and for refugees, being on welfare jeopardizes their refugee claim.
- **ELIMINATE THE FEDERAL REQUIREMENT TO REPAY MIGRATION COSTS FOR NEW REFUGEES:** On arriving in Canada, refugees are expected to repay the federal government for their medical exam and transportation costs, which can easily reach a maximum of \$10,000. The government should eliminate this requirement and immediately cancel all outstanding refugee debt.

\*As noted on page 34, recommendations with an asterisk do not have a direct cost to the government, or the cost is inconsequential



- **PROVIDE MORE HOUSING SUPPORT:** Transitional housing is an immediate need for immigrants and refugees, as well as extra support for long-term housing solutions, which should include appropriate housing for extended families.
- **INCREASE FUNDING FOR ENGLISH LANGUAGE SERVICES FOR ADULTS:** English language services for adults should be open to all regardless of citizenship status, and more child care spaces should be provided so that parents, in particular mothers, can take full advantage of these programs.

## Objective 4: Implement Initiatives to Address Homelessness and the Lack of Affordable Housing

- **EXPAND THE STOCK OF AFFORDABLE HOUSING:** Progress on reducing poverty hinges on the implementation of a large-scale, low-income housing strategy. The provincial government needs to work with municipalities and the federal government where possible to create over 2,000 *new* units (not conversions or subsidized units) of social housing per year, focusing on areas where vacancy rates are low, and thus pressure most acute. Affordable housing is vital for low-income residents, including seniors with little income but no health care issues. The capital cost will be approximately \$400 million per year, but there is good reason to believe that building more affordable housing will save money over the medium-term.

Beyond social housing (building more co-op, non-profit or BC Housing), increasing the broader supply of affordable housing can be achieved through various means, from allowing secondary suite renting in all zones, to requiring property developers to build a certain number of affordable housing units.<sup>119</sup>

- **INCREASE THE NUMBER OF SUPPORTED HOUSING UNITS FOR PEOPLE WITH MENTAL HEALTH AND/OR ADDICTION ISSUES:** Providing supportive housing is more cost efficient for the public purse than living with the costs of homelessness.<sup>120</sup>
- **INCREASE THE AVAILABILITY OF RENTAL SUBSIDIES:** The take-up rate of the province's rental assistance program has been lower than expected, which indicates that more outreach is needed. Additionally, the subsidy should be made available to more families. Currently, the qualifying income threshold is too low; the BC Rental Assistance Program is not available to families with a gross income over \$35,000, an income well below the family living wage income in both Vancouver and Victoria.<sup>121</sup>
- **PROTECT RENTERS' RIGHTS IN THE RESIDENTIAL TENANCY ACT\*:** The provincial government has rewritten the Residential Tenancy Act in favour of landlords, and has made it possible for landlords to increase rents at a higher rate than inflation.<sup>122</sup> Long-term residents are being evicted from their homes and communities, yet the provincial government continues to deny that these mass evictions and rising rents are a problem. The government of Ontario has taken action in the face of similar problems by implementing the right of first refusal, which gives renters the choice of moving back into their unit after renovations are completed for a rent no more than what the landlord could have charged if there had been no interruption in tenancy. The BC government must provide similar protection and tighten up rent control regulations.

Progress on reducing poverty hinges on the implementation of a large-scale, low-income housing strategy.

## Objective 5: Provide Universal Publicly-Funded Child Care

### LAUNCH A PUBLICLY-FUNDED, QUALITY EARLY LEARNING AND CHILD CARE PROGRAM

The connections between a high-quality early learning and child care program and poverty are threefold. First, there are important benefits to children in terms of their long-term brain development. Research suggests that the establishment of a high-quality, publicly-funded system for pre-schoolers would have immense benefits for their development prospects in key areas such as social interaction with other children, language and cognitive development, physical development, and establishing relationships with adults that are not immediate family. This is true for all children, but in particular for those from lower socio-economic families.<sup>123</sup>

Adequate public child care is essential to women. As the primary unpaid caregivers for children, their access to labour market participation is dependent on the availability of safe, affordable, high quality, stable child care.

A second benefit relates to the wellbeing of mothers. Adequate public child care is essential to women. As the primary unpaid caregivers for children, their access to labour market participation is dependent on the availability of safe, affordable, high quality, stable child care.

A third benefit is to the macro-economy: more people working in the paid labour force leads to more tax revenue, and the long-term cost benefits of providing early learning and child care programs are evident in examples such as the Quebec model. In a study on the benefits and costs of good child care, Cleveland and Krashinsky estimate that society gains two dollars for every dollar spent on a publicly-provided, quality child care program.<sup>124</sup>

It would take several years for this program to be rolled out. There would be a one-time capital cost and then, fully built-out, a universal program for one to five year olds would require an additional \$1.5 billion in public funds. Adding in before-and-after school care for children up to age 12 would cost another \$500 million. Thus, a full system would ultimately cost \$2 billion per year in new public funding. The Coalition of Child Care Advocates of BC, however, has calculated the *net* cost of a full, universal, publicly-funded child care program (including after school care for children up to 12) to be \$1.2 billion per year once increases in income taxes resulting from such a program are taken into account.<sup>125</sup>

### ENHANCE FAMILY SUPPORTS PROVIDED THROUGH THE MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

Services for children and families have been in crisis mode for a number of years. Investments in vulnerable children are likely to have huge paybacks over time. A \$200 million increase for the Ministry of Children and Families would enhance the ranks of social workers, boost support allowances in foster care, and provide additional assistance for children with special needs. This should be viewed as a step in a multi-year plan to better address the needs of vulnerable children and ensure less apprehensions of children from families under stress from living in poverty. This would have a significant impact in particular for single mothers and Aboriginal women.

## Objective 6: Provide Support for Training and Education

### INCREASE ACCESS TO AFFORDABLE POST-SECONDARY EDUCATION AND APPRENTICESHIPS

Meaningful, long-term training and education must be offered and supported, so that low-income women and men can access stable, well-paying jobs. The additional financial cost of this measure is difficult to estimate. Because there is currently excess capacity in the college system, some new students could be absorbed at a relatively low additional cost. But while the space may be present, post-secondary fees put such studies financially out of reach for too many, and fear of debt keeps many low-income people away. Post-secondary fees (mostly tuition fees) in BC are projected to be just under \$1 billion this year, more than double the amount in 2001/02 (fees are equivalent to half of the size of the overall advanced education budget). Therefore, a 50 per cent reduction in tuition fees would cost approximately \$500 million at the current level of enrolment.

Trade apprenticeship programs provide opportunities for many to access higher-paying employment. These programs should be expanded and targeted toward women, Aboriginal people, recent immigrants, and people with disabilities. The equity initiatives in training and hiring on the large construction project to build the Vancouver Island Highway provide an excellent model to replicate.<sup>126</sup> These equity provisions were highly successful in improving the representation of the targeted groups in this construction project.

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### ELIMINATE BARRIERS TO FULL PARTICIPATION AND INCLUSION IN PUBLIC SCHOOLS

The under-funding of public education has meant an increase in school fees, such as those now collected for field trips, supplies, sports and arts, and specific course materials. This causes great family stress and disproportionately affects children from Aboriginal families, single-mother families, and immigrant families. Parents have to continually declare their poverty to school authorities to qualify for fee waivers, and more often children from low-income families start to self-exclude from activities and programs. The promise of equal opportunity through public schooling, and therefore the role of public education in helping to break the cycle of poverty for many families, is seriously undermined in the present situation.

## Objective 7: Promote the Health of All British Columbians

### ENSURE ACCESS TO ESSENTIAL HEALTH SERVICES NOT INCLUDED IN THE PUBLIC HEALTH CARE SYSTEM

The costs of accessing prescription medication, dental care, and eye exams, as well as eyeglasses or contact lenses, are a significant barrier for those living on low incomes. Too often access to these health services is not based on need but rather on ability to pay, and as a consequence it is the poorest residents who have the greatest needs that are least able to access care. This could be rectified through the expansion of the public health care system (perhaps in combination with government provision of a low-cost health plan to self-employed and casual workers).

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To reduce the financial barriers for accessing dental care, the current public dental benefits provided to those on welfare and through Healthy Kids must be improved and expanded to include low-wage workers and seniors living on low incomes and without benefits. Routine eye exams should be covered by medicare.

To ease the burden of the costs of prescription medication, the Pharmacare program should be restructured. Changes made to the Pharmacare program in 2003 decreased the cost of prescription medication for some low-income BC residents, but increased the complexity of the system. A universal Pharmacare program, funded through the tax system, would have the advantage of providing access to all necessary drugs while sharing the costs of those drugs based on the ability to pay, rather than the degree of ill health.<sup>127</sup>

### ADEQUATELY FUND THE COMMUNITY-BASED HEALTH CARE SERVICES THAT FRAIL SENIORS AND PEOPLE WITH DISABILITIES RELY UPON

Ensuring that high-quality community health services are both accessible and pay a living wage helps alleviate poverty for both clients and providers. More funding is needed to ensure higher wages, more residential care beds, more home care/support service hours, and better access to addiction services.<sup>128</sup>

Home support represents the basic supports people need in order to stay at home, but thousands of frail seniors and people with disabilities cannot afford this service on their own. In BC, eligibility for publicly-funded home support is income-tested and based on a restrictive definition of individual need. Access to publicly-funded home support services for frail seniors and people with disabilities has been decreasing in BC since the mid-1990s. Instead of expanding home support services to meet growing demand, the preventive and maintenance functions of home support have been significantly reduced. Fewer seniors are able to access services, and the focus on higher levels of care means fewer and fewer daily living supports (such as meal preparation, housekeeping and social contact) are being provided.

Increased funding for more home and community services likely represents a cost savings, as such services take pressure off the much more expensive emergency and acute care systems. BC might want to look into the Danish model of home support. Denmark provides a wide range of free, universally available, 24-hour home support services for seniors, including

those with limited needs. These services are nationally mandated and administered by municipalities. Municipalities are legally obligated to offer a home visit twice a year to all citizens 75 years and older to find out about potentially unmet care needs in the population and to make sure seniors know about the services available to them. The Danes are more concerned with the additional costs that would result if seniors *did not get help* early on, than they are with limiting access to home support resources.<sup>129</sup>

With respect to mental health, community-based services are the supports that sustain people once they have left the hospital—and when good services are in place, keep people from re-hospitalization. The provincial government must increase income and housing security for people with mental illness. Studies in the Vancouver Coastal Health region suggest that people with mental illness and addictions are disproportionately poorer than other citizens and are often inadequately housed.<sup>130</sup> The province should also restore the office of the BC Mental Health Advocate and/or develop a range of independent systemic advocacy centres.

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## Call to Action

The need is obvious, the policy measures are known, the financial resources are present, and the public appetite is strong. All that is needed now is the political will to act boldly.

If the global financial crisis draws BC into a prolonged economic downturn, we risk a higher poverty rate, making the need for action that much greater.

THERE IS NOTHING INEVITABLE ABOUT POVERTY AND HOMELESSNESS, notwithstanding the prevailing sentiment that persistent poverty somehow represents the new normal in the modern global economy. Simply put, there is no excuse for poverty and homelessness in a province as wealthy as British Columbia. And the evidence from other jurisdictions shows us that those societies that choose to prioritize fighting poverty manage to do so with dramatic success.

By any measure, BC has the ignominious distinction of having the highest poverty rates in Canada. The need for a bold and accountable poverty reduction plan in BC is clear and urgent.

Fully implemented, the total cost of the above recommendations is in the order of \$3–4 billion per year (if one tallies up the costs of all the items above). The cost should not, however, be an excuse for inaction. BC has consistently recorded budget surpluses of this magnitude for the last four years. And as noted earlier, the cost of inaction is equally high if not greater; reflected in higher health, justice and social service costs, as well as reduced education attainment, under-employment, and foregone future tax revenues.

If the global financial crisis draws BC into a prolonged economic downturn, the province's surpluses will shrink or disappear, but this, even more so, must not be an excuse for inaction. If the province finds itself in recession, the unemployment rate will increase and we risk a higher poverty rate, making the need for action that much greater. An accessible and decent social safety net (and in particular social assistance) must serve as an automatic stabilizer in such times—putting money in the pockets of those hardest hit, and concentrating that assistance in the communities hardest hit.

This must occur even if it means running cyclical deficits, precisely because maintaining the purchasing power of large numbers of people who spend all their incomes on rent, food, and transportation in their *local* economies (which is what poorer people do) would minimize the depth and length of an economic downturn. If counter-cyclical public investments occurred during a downturn it would create more middle-income jobs (in areas such as construction, social services, education, and health) and those investments would lay the foundation for future prosperity.

To date, the government's response (and the opposition's) to the economic crisis has been to initiate a new round of tax cuts. Tax cuts always sound good to voters, but the reality of recent years is that most Canadians have also spoken out strongly in favour of higher public spending on health care, education, and poverty reduction. We are already putting a wide range of government programs in jeopardy by governments seeking to outdo each other on tax cuts. A government committed to fighting poverty simply will not be able to undertake significant new tax cuts. BC's lowest income people and families stand to gain very little from tax cuts—they need direct government transfers (such as income assistance) and programs and supports (such as housing, education and child care) that can only be paid for collectively through our taxes.

Beyond economic reasons, our shared commitments to justice, equality and human potential demand that our government address poverty and homelessness. The need is obvious, the policy measures are known, the financial resources are present, and the public appetite is strong. All that is needed now is the political will to act boldly.

## British Columbians Want Action

Not only are the policy measures needed to reduce poverty known, the public appetite for action is also strong. British Columbians (and Canadians generally) want leadership and action to reduce poverty, and believe government can do much to combat poverty.

A recent Environics poll (commissioned by the CCPA)<sup>131</sup> found that:

- Over 90 per cent of British Columbians believe that, if other countries can reduce poverty, so can Canada.
- 87 per cent of British Columbians believe now is the time for strong political leadership to reduce the number of poor people in Canada and our province.
- 87 per cent said both the prime minister and the premier should set concrete targets and timelines to reduce poverty.
- 91 per cent said they would feel proud if our premier took leadership on poverty reduction.
- When told what the poverty rate currently is in BC, 83 per cent of British Columbians support the goal of reducing poverty by 25 per cent within five years.
- British Columbians believe an economic recession is exactly the time when governments need to act on poverty reduction. When asked whether, in the face of a recession, governments will have to focus on other priorities or whether an economic downturn makes it more important than ever to make helping the poor a priority, 77 per cent chose the latter.
- And, a result that should give pause to all politicians: 74 per cent of British Columbians say they would be more likely to support a provincial political party that pledged to make poverty reduction a high priority and proposed clear policies, targets and timelines aimed at reducing the number of poor people.

British Columbians also strongly support many of the specific policy measures recommended in this paper: 86 per cent support raising the minimum wage so that full-time work lifts people above the poverty line; 91 per cent support improving income support programs to help poor families with the cost of raising children; 85 per cent support creating more low-cost child care spaces; 93 per cent support creating more affordable housing; 83 per cent support annual increases to welfare to keep up with the rising cost of living; and 96 per cent support investing in more job and skills training for people who are between jobs.

## NOTES

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- 1 As of 2006, the most recent year for which data is available. This figure is derived from CANSIM Table 202-0805, Statistics Canada.
- 2 Dietitians of Canada, 2007.
- 3 Patterson et al., 2008.
- 4 Laurie, 2008.
- 5 Statistics Canada, Census 2006.
- 6 Banting, 2006.
- 7 In contrast, the House of Commons voted unanimously in 1989 to end child poverty by the year 2000, but never took concrete action, and 11 years is so long in political terms that no government felt accountable for the goal. Consequently, child poverty today is almost unchanged from 1989. Expressions of good will, no matter how sincere, too often fall short of achieving real change if unaccompanied by planned accountability.
- 8 European Anti-Poverty Network, [www.eapn.org](http://www.eapn.org), accessed May 29, 2008.
- 9 The Irish plan, *National Action Plan for Social Exclusion 2007–2016*, can be found at [www.welfare.ie/publications/naps/nactplan/index.html](http://www.welfare.ie/publications/naps/nactplan/index.html) (accessed October 23, 2008). In the United Kingdom, in 1999 the Blair government pledged to reduce child poverty by half in 10 years, and to end child poverty in 20 years. Against an absolute poverty line, the UK has reduced poverty by 50 per cent since the pledge was made, a performance that far outstrips Canada or the US. For more on the UK experience, see Waldfogel, 2008.
- 10 Collin, 2007 (October).
- 11 Department of Human Resources, Labour and Employment (Newfoundland and Labrador), 2006, p. vi.
- 12 *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, [www.hrle.gov.nl.ca/hrle/poverty/poverty-reduction-strategy.pdf](http://www.hrle.gov.nl.ca/hrle/poverty/poverty-reduction-strategy.pdf).
- 13 Chen, 2008.
- 14 Statistics Canada does not view the LICO as a poverty line, but it is commonly used as such, including by the National Council of Welfare. Statistics Canada also produces another measure, the Low Income Measure (LIM), which is a purely relative measure set at one half of the median income. It is the measure generally used for international comparisons, but is not commonly used within Canada.
- 15 SPARC BC, 2003; Statistics Canada, *Low Income Cut-Offs for 2007*, 2008.
- 16 Statistics Canada, *Low Income Cut-Offs for 2007*, 2008.
- 17 In both cases, the cut-offs are based on income after government transfers, such as the Canada Child Tax Benefit, Old Age Security Program, GST Credit, Employment Insurance benefits, and provincial or territorial welfare payments.
- 18 Human Resources and Social Development Canada. “*Low Income in Canada: 2000–2004 Using the Market Basket Measure.*”
- 19 Kerstetter, 2003; this is based on data from the 1999 Survey of Financial Security from Statistics Canada.
- 20 Accessed from CANSIM Table 202-0703, Statistics Canada.
- 21 For more on the negative impacts of growing inequality, see *Why Inequality Matters* (CCPA, 2007).



- 22 There are regional differences within BC and parts of the province are more susceptible to cyclical and industrial trends.
- 23 This figure is calculated by totaling the depth of poverty of each person living below the poverty line, which is the difference between their income and the LICO measure, and then dividing this total by the number of people living below the poverty line.
- 24 Derived from CANSIM Table 202-0805, Statistics Canada.
- 25 This figure is consistently recognized to be an underestimate. In addition to those homeless people that were not seen, a further 402 people were perceived as homeless but not included in the total because they either did not want to be interviewed, were asleep and could not be woken, or were otherwise unconfirmed as homeless.
- 26 *Still on our streets.... Results of the 2008 Metro Vancouver Homeless Count, 2008.*
- 27 Of those, 59 were unaccompanied.
- 28 *Still on our streets.... Results of the 2008 Metro Vancouver Homeless Count, 2008.*
- 29 "Fraser Valley Homeless Count Press Release," April 28, 2008, [www.missionchamber.bc.ca/news/news-archive/fraser-valley-homeless-count-press-release.html](http://www.missionchamber.bc.ca/news/news-archive/fraser-valley-homeless-count-press-release.html), accessed September 24, 2008.
- 30 Patterson et al., 2008.
- 31 Ibid.
- 32 Dietitians of Canada, BC Region, and Community Nutritionists Council of BC, 2007.
- 33 Food Banks Canada, 2008.
- 34 For more on this, see Klein and Pulkingham, 2008.
- 35 Kerstetter and Goldberg, 2007.
- 36 Ibid.
- 37 Rea, Mackay, and LeVasseur, 2008, p. 38; some cases are due to choice rather than affordability.
- 38 Ibid.
- 39 According to the Canada Mortgage and Housing Corporation, a household is in "core housing need" if it fails to meet the standards of "acceptable housing," which refers to housing that is of suitable size, in adequate physical condition, and affordable (costs less than 30 per cent of before-tax household income).
- 40 Canada Mortgage and Housing Corporation, 2005, p. 8.
- 41 Ibid.
- 42 Canada Mortgage and Housing Corporation, 2008 (March).
- 43 BC Housing, 2008.
- 44 The remaining 9,000 poor children (2 per cent of all poor people in BC) live in families of other configurations, including male lone-parent families and grandparent-led families.
- 45 Statistics Canada, 2006 Census, Catalogue no. 97-563-XCB2006005.
- 46 BC Employment and Assistance Current Month Statistics, September 2008 data, [www.eia.gov.bc.ca/research/index.htm](http://www.eia.gov.bc.ca/research/index.htm).
- 47 Kerstetter, 2006 (February), *Child Poverty and Income Inequality in British Columbia*.
- 48 CANSIM Table 202-0804, Statistics Canada.
- 49 Data on the Aboriginal population is limited since many Indian reserves and settlements were not included in the Census coverage at the request of the reserve (Statistics Canada, 2008, January). In addition, poverty data is only available for the off-reserve population.
- 50 Statistics Canada, 2001 Census, Catalogue no. 97F0011XCB2001046.
- 51 Canadian Council on Social Development, 2007, p. 17.
- 52 Statistics Canada, 2001 Census, Catalogue no. 97F0011XCB2001046.

- 53 Statistics Canada, 2006 Census.
- 54 Statistics Canada, 2006 Census, Catalogue no. 97-560-XCB2006028.
- 55 Pivot Legal Society, 2008, p. 91.
- 56 *Still on our streets.... Results of the 2008 Metro Vancouver Homeless Count*, 2008, p. 16.
- 57 Statistics Canada, 2001 Census, Catalogue no. 97F0011XCB2001046.
- 58 *Still on our streets.... Results of the 2008 Metro Vancouver Homeless Count*, 2008.
- 59 Pivot Legal Society, 2008, p. 91.
- 60 Statistics Canada, 2006 Census, Table 5.1: Aboriginal children under six years of age, living in low-income families, not including reserves, accessed at [www.statcan.ca/english/freepub/89-634-XIE/2008005/tables/tab5-1-en.htm](http://www.statcan.ca/english/freepub/89-634-XIE/2008005/tables/tab5-1-en.htm).
- 61 Ibid.
- 62 Vancouver Native Health Society, p. 13.
- 63 Ibid. p. 16.
- 64 Brown, p. 21.
- 65 Health Canada webpage, "First Nations, Inuit and Aboriginal Health—Diseases & Health Conditions—Diabetes" [www.hc-sc.gc.ca/fniah-spnia/diseases-maladies/diabete/index-eng.php](http://www.hc-sc.gc.ca/fniah-spnia/diseases-maladies/diabete/index-eng.php), accessed September 18, 2008.
- 66 [www.healingourspirit.org](http://www.healingourspirit.org), Healing Our Spirit, BC Aboriginal HIV/AIDS Society, accessed September 18, 2008.
- 67 Goldner, Snider and Mozel, 2000.
- 68 Klein and Pulkingham, 2008.
- 69 Accessed from Ministry of Housing and Social Development BC Employment and Assistance Rate Tables, [www.eia.gov.bc.ca/mhr/ia.htm](http://www.eia.gov.bc.ca/mhr/ia.htm), accessed September 24 2008.
- 70 Cohen et al., 2008.
- 71 BC Coalition for Persons with Disabilities (BCCPWD), 2007b, p. 4.
- 72 Cohen et al., 2008; Feres, 2007.
- 73 Statistics Canada, 2006 Census, Catalogue no. 97-563-XCB2006006.
- 74 Kerstetter, 2006, *Child Poverty and Income Inequality in British Columbia* (February).
- 75 Citizenship and Immigration Canada website, "Guide to the Private Sponsorship of Refugees Program," [www.cic.gc.ca/English/resources/publications/ref-sponsor/section-2-17.asp](http://www.cic.gc.ca/English/resources/publications/ref-sponsor/section-2-17.asp).
- 76 First Call, 2008 (June).
- 77 Stock, 2007.
- 78 Quality of Life Challenge, [www.qolchallenge.ca/index.php](http://www.qolchallenge.ca/index.php), accessed October 29, 2008.
- 79 First Contact MAP Group, 2008.
- 80 As of June 1, 2008, refugee claimants formerly restricted to hardship assistance can now receive income assistance or disability assistance, a welcome reform. See: "BC government website—Housing and Social Development—Online Resource—Hardship" [www.gov.bc.ca/meia/online\\_resource/hardship/code\\_a](http://www.gov.bc.ca/meia/online_resource/hardship/code_a).
- 81 Interview with Harsha Walia, *No One Is Illegal*, June 17, 2008.
- 82 Fairey, et al., 2008.
- 83 Ivanova, Iglia. "Denying income inequality won't make it go away." CCPA Editorial. June 24, 2008. [www.policyalternatives.ca/editorials/2008/06/editorial1925/?pa=AE5DAA5F](http://www.policyalternatives.ca/editorials/2008/06/editorial1925/?pa=AE5DAA5F).
- 84 Atkey and Siggner, 2008.
- 85 Canada Mortgage and Housing Corporation, 2008 (Spring).

- 86 Accessed from Ministry of Housing and Social Development BC Employment and Assistance Rate Tables, [www.eia.gov.bc.ca/mhr/ia.htm](http://www.eia.gov.bc.ca/mhr/ia.htm), accessed September 24 2008.
- 87 Statistics Canada, 2008 (June).
- 88 Wallace et al., 2006.
- 89 Klein and Pulkingham, 2008.
- 90 While BC's poverty rate in 2006 was 13 per cent, only about 3.2 per cent of British Columbians received income assistance.
- 91 First Call, 2008 (November), Fact Sheet 7.
- 92 BC Stats, 2008.
- 93 Kirby, 2007.
- 94 Morissette, 2008.
- 95 Cohen and Cohen, 2004.
- 96 Fairey, 2005.
- 97 See Irwin et al., 2005; and Zaman et al., 2007.
- 98 See Fairey et al., 2008.
- 99 MacPhail and Bowles, 2008.
- 100 This figure was derived based on our estimate of the caseload increase that would result from eliminating the rules and administrative practices that have arbitrarily limited access to income assistance. Econometric modeling done for the ESP study *Denied Assistance* (Wallace et al., 2006) found that about half the caseload reduction since 2002 can be attributed to policy changes (as opposed to the improved labour market).
- 101 This figure represents the amount needed to reverse the funding cut to the Employment Standards Branch between 2000/2001 and 2004/05.
- 102 For more on the living wage, see Richards et al., 2008.
- 103 Thanks to Sherman Chan from MOSAIC for suggesting the idea of an evaluative "lens."
- 104 See Richards et al., 2008.
- 105 For more on an alternate method of setting welfare benefit rates, see Kerstetter, 2006b.
- 106 For a closer look at how these estimates were derived, see Klein and Smith, 2006.
- 107 For more on helping income assistance recipients gain post-secondary training, see Butterwick, 2006.
- 108 For more on this dynamic, including illustrative tables, see Goldberg, 2008; and Kerstetter and Goldberg, 2007 .
- 109 Richards et al., 2008, p. 32.
- 110 *Fairness at Work: Federal Labour Standards for the 21<sup>st</sup> Century*, is Harry Arthurs' review of the federal Canada Labour Code, which was commissioned by the Minister of Labour.
- 111 For more on improving the economic security of casual workers, see MacPhail and Bowles, 2008.
- 112 For more on increasing the economic security of farmworkers, see Fairey et al., 2008.
- 113 Congress of Aboriginal Peoples, p. 13.
- 114 Interview with David Eddy, Vancouver Native Housing Society, August 5, 2008.
- 115 Vancouver Native Health Society, p. 20.
- 116 Ibid, p. 23.
- 117 Based on the recommendation from the BCCPWD's report, *Who Benefits?* (2007b), but updated with more current data on the cost of living.

- 118 For more on improving employment supports for people with disabilities, see Cohen et al., 2008.
- 119 See Lee et al., 2008 for more ideas.
- 120 Patterson et al., 2008.
- 121 See Richards et al., 2008.
- 122 For more information, see the Renters at Risk Campaign: [www.rentersatrisk.ca](http://www.rentersatrisk.ca).
- 123 Hertzman, 2004.
- 124 Cleveland and Krashinsky, 1998.
- 125 Coalition of Child Care Advocates of BC, 2007.
- 126 Griffin, Cohen and Braid, 2000.
- 127 Fuller, 2003.
- 128 For more, see Cohen et al., 2005; Cohen et al., 2006; and Morrow, 2006.
- 129 See Cohen et al., 2006.
- 130 Goldner, Snider, and Mozel, 2000, reported in Morrow, 2006.
- 131 The poll was conducted in the Fall of 2008 (in the midst of the growing economic/financial crisis). For more on the poll results, see Hennessy and Yalnizyan, 2008.

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## ECONOMIC SECURITY PROJECT

The Economic Security Project is a research alliance led by the CCPA's BC Office and Simon Fraser University, and includes 24 community organizations and four BC universities. It looks at how provincial policies affect the economic well-being of vulnerable people in BC, such as those who rely on social assistance, low-wage earners, recent immigrants, people with disabilities, seniors, youth and others. It also develops and promotes policy solutions that improve economic security. The project is funded primarily by a grant from the Social Sciences and Humanities Research Council of Canada (SSHRC) through its Community-University Research Alliance Program.

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