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READY FOR LEADERSHIP

Canadians' perceptions of poverty

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Growing Gap  **.ca**

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Introduction

THE VOLATILITY OF GLOBAL stock markets and uncertain economic times has got Canadians wondering what will happen when hard times come knocking at their door. With poverty far from beaten in this country, our polling shows the majority of Canadians are primed and ready for political leadership, federally and provincially, to reduce poverty and income inequality.

The Canadian Centre for Policy Alternatives engaged Environics Research to conduct a national poll in the fall of 2008 to get a clearer sense of what citizens believe their governments should do about poverty. The results are definitive. Any government that acts to reduce the number of poor people in Canada will find favour with a resounding majority of Canadians. Support for action is overwhelming, cutting across income, age, political persuasion and region of the country. Among the key findings:

- Above all, Canadians believe now is the time for action: 77% say that in a recession, it's more important than ever to make helping poor Canadians a priority.
- 92% say that if other countries like the U.K. and Sweden can reduce poverty, so can Canada.
- 86% believe that if government took concrete action, poverty in Canada could be greatly reduced.
- 90% of Canadians say it's time for strong leadership to reduce the number of poor people in Canada.

- 90% of Canadians say they would be proud if their Premier took the lead in reducing poverty in their province and 88% say Canada should try to distinguish itself in the world as a country where no one lives in poverty.
- 89% say both the Prime Minister and the provincial Premiers need to set concrete targets and timelines to reduce the number of poor Canadians.
- 81% of Canadians agree their provincial government should reduce poverty by at least 25% over the next five years — 55% of Canadians say a 25% reduction sounds just right but another quarter (26%) say that's not ambitious enough.
- Across Canada, there is majority support to raise the minimum wage, improve income support programs to help poor families with the costs of raising children, create more low-cost child care spaces, create more affordable housing, make sure welfare rates keep up with the cost of living, and invest in more jobs and skills training for people who are in between jobs.

The following poll results break down the level of Canadian support for government action to reduce poverty and growing income inequality. We break it down by province, by demographics, and even by political party preference. While there are small variations in opinion, the overriding conclusion is that Canadians everywhere believe in the power of their governments to combat poverty and income inequality — and they want their governments to act now.

In light of the economic moment — recession on the way, or already here — these polling results provide strong advice from Canadians to their governments: don't cut back public programs. In fact, they believe now is precisely the time to do something that can make a difference for Canada's most vulnerable. Poised on the brink of recession, or at least economic slowdown, Canadians' desire for governments to act is not weakened, but emboldened. Canadians seem to be calling on governments to be less timid, more active. They want governments that will do them proud, at home and around the world. The good news is that what Canadians say would be best for helping the poor in fact would benefit all of us.

The following sections of the report lay out the questions asked in the poll and set out Canadians' responses.

Canadians' Financial Worry

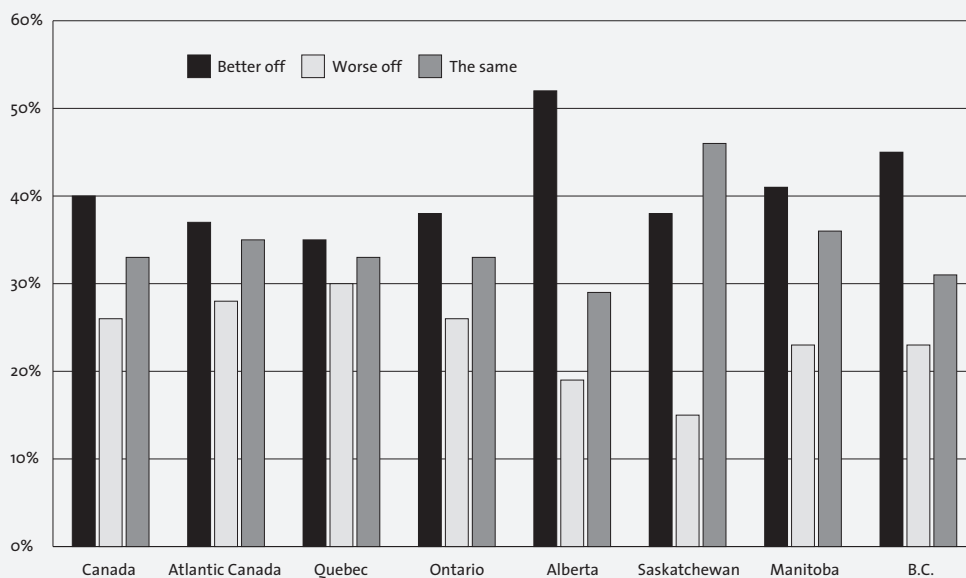
BEFORE ASKING CANADIANS how they feel about poverty, we wanted to know if they had concerns about their own financial situation. We discovered about half of Canadians are worried about their financial future, and the other half is not as worried.

Thinking about your standard of living, would you say that compared with 10 years ago, you are generally better off, worse off, or about the same?

About 40% of Canadians say their standard of living is better today than it was 10 years ago — a result which makes sense given that the past 10 years have been 10 of the strongest years of economic growth on record. Gross Domestic Product has surged by over 73% since 1997, and Canada now ranks as the ninth largest economy on the planet. But only 20% of households with incomes under \$30,000 said they were doing better off — in fact 44% reported they were worse off. Among households with incomes over \$100,000, 59% said they were better off than 10 years ago. Only 14% reported being worse off. More than half of Albertans (52%) say they are better off now, compared to 45% of British Columbians, 41% of Manitobans, 38% of Ontarians and Saskatchewan residents, 37% of Atlantic Canadians, and 35% of Quebeckers.

Despite the blistering pace of economic growth, about one in four Canadians (26%) say they are worse off than they were 10 years ago and 33% say they're doing about the same. According to this poll, the benefits of this last decade of expansion have passed the majority by.

CHART 1 Majority say they're better off; 1 in 4 are worse off



Thinking about your own personal financial situation, do you strongly agree, somewhat agree, somewhat disagree or strongly disagree: You worry about the rising cost of living.

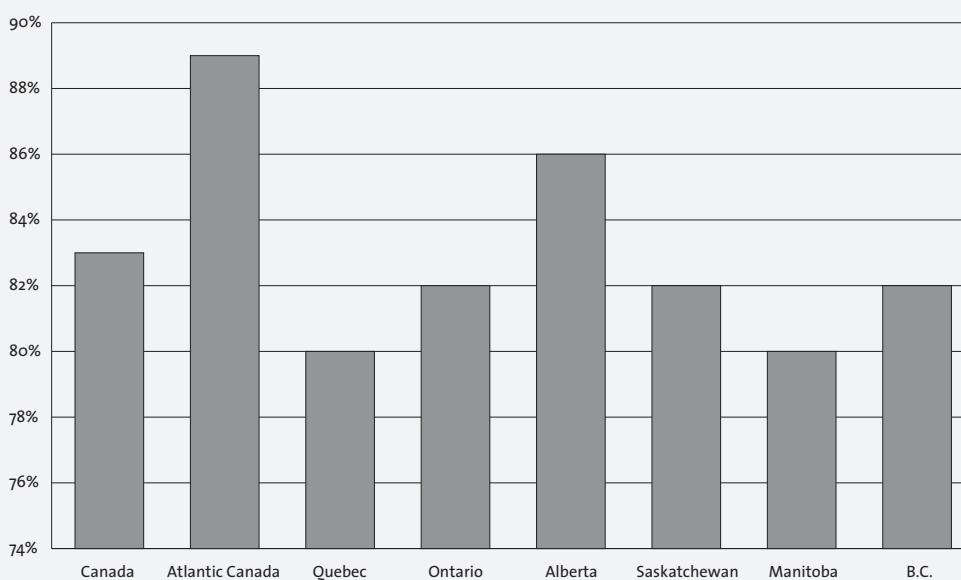
Whether they feel they're getting ahead or falling behind, the great majority of Canadians — 83% — say they are worried about the rising cost of living (only about 17% say they aren't worried). Atlantic Canadians express more worry (89%), followed by Albertans (86%). There is a strong income component to these responses: Canadians most strongly concerned about rising costs of living are households with incomes under \$30,000 (63%), while households with incomes over \$100,000 were least likely to be concerned (though 37% strongly agree they are worried).

Thinking about your own personal financial situation, do you strongly agree, somewhat agree, somewhat disagree or strongly disagree: You struggle to keep your personal debt under control.

Just under half (47%) of all Canadians admit they struggle to keep their personal debt under control while the other half (50%) does not. There is very little variation between the provinces, with two polarized exceptions: Atlantic Canadians are far more likely to agree they struggle with personal debt (60% do, 38% do not) while Quebecers are least likely to say they struggle (32% do, 65% do not).

There is no significant difference in these answers by age group of respondent, but there are significant differences by income. Lower income households are also far more likely to say they struggle with personal debt than do higher income households. Average earnings in Canada are about \$39,000 a year — and most Canadians

CHART 2 Most Canadians worry about the rising cost of living



who worry about debt earn less than the average. The majority (62%) of households earning less than \$30,000 say they struggle to keep personal debt under control, 54% of those earning between \$30,000 and \$60,000 struggle, 46% of those earnings \$60,000 to \$80,000 struggle, while 41% of those earning between \$80,000 and \$100,000 struggle and only 31% of those earning more than \$100,000 struggle.¹

Thinking about your own personal financial situation, do you strongly agree, somewhat agree, somewhat disagree or strongly disagree: You can afford a comfortable retirement.

Half of Canadians (51%) believe they will be able to afford a comfortable retirement while 44% do not. People from B.C. (47%), Atlantic Canada (48%) and Saskatchewan (46%) are less inclined to believe they can afford a comfortable retirement. Those from Manitoba (58%) and Alberta (57%) are most inclined to believe they can afford a comfortable retirement. As one might expect, Canadians in lower income households are less likely to believe they can afford a comfortable retirement: 65% of households earning less than \$30,000 say they can't, followed by 52% of those earning \$30,000 to \$60,000, 41% of those earning \$60,000 to \$80,000, 40% of those earning \$80,000 to \$100,000, while only 28% of those earning more than \$100,000 think they can't afford a comfortable retirement. Young Canadians are more likely to say they can't afford a comfortable retirement (54% of those between 18 and 29, 52% of those between 30 and 44) while Canadians aged 60 and over are most likely to say they can afford a comfortable retirement (62%). On this question there is also a notable gender

CHART 3 Many Canadians struggle with personal debt

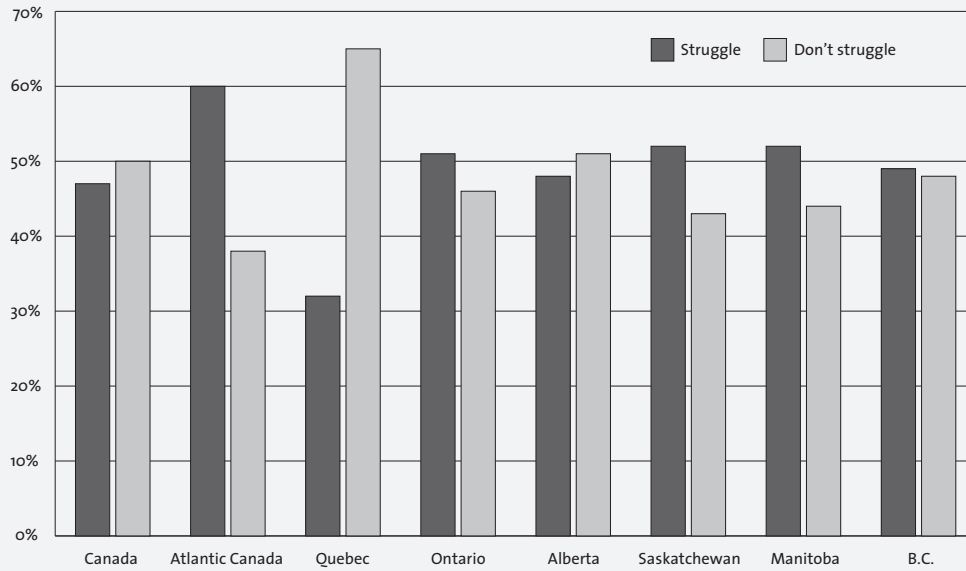
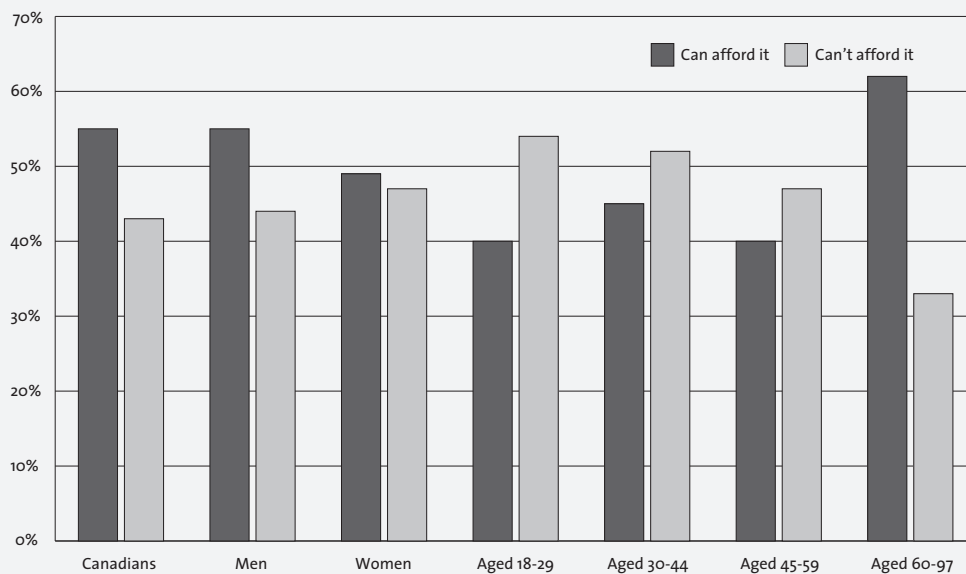
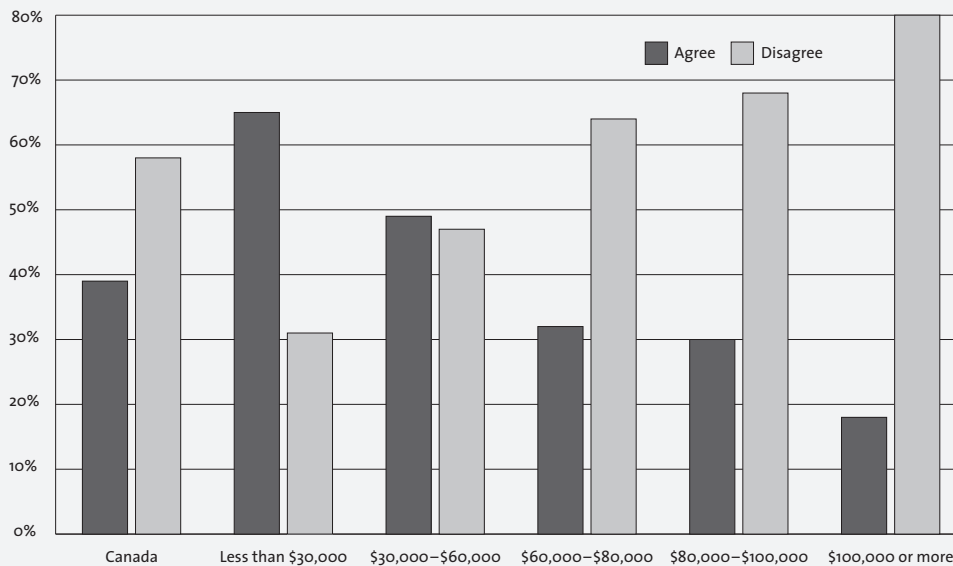


CHART 4 Canadians can afford a comfortable retirement; many can't



split: 55% of men say they can afford a comfortable retirement, compared to 49% of women, while 42% of men say they can't, compared to 47% of women.

CHART 5 Are you one or two paycheques away from being poor?



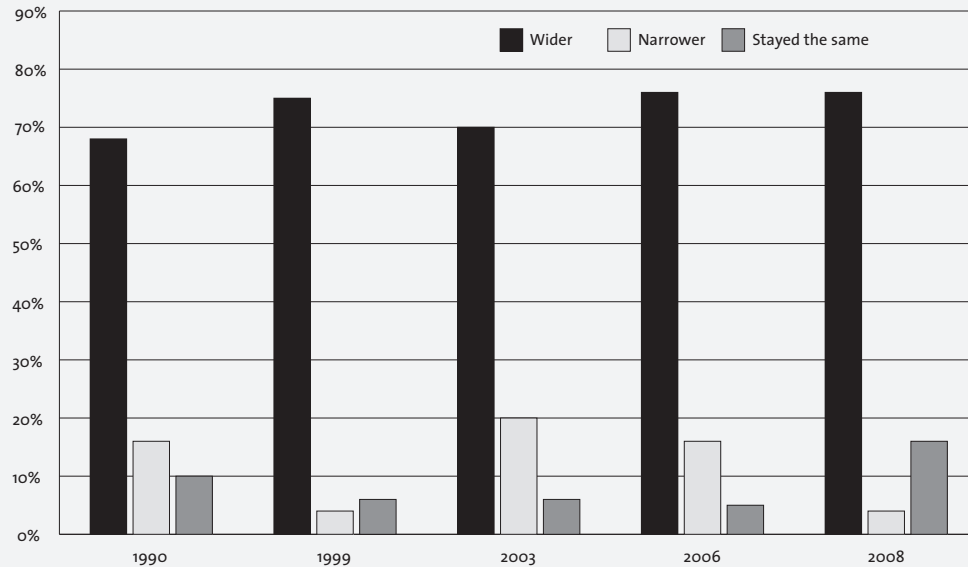
Thinking about your own personal financial situation, do you strongly agree, somewhat agree, somewhat disagree or strongly disagree: You are always just one or two missed paycheques away from being poor yourself.

The majority of Canadians (58%) do not think they are “one or two paycheques away from being poor” themselves — but 39% do. That represents a shift in perceptions compared to two short years ago. In 2006, we asked Canadians the same question, and one out of two felt they were a couple of paycheques away from being poor. Canadians living in Saskatchewan (44%), Atlantic Canada (43%), Quebec (43%) and Manitoba (40%) are more likely to agree they are one or two paycheques away from being poor. The lower the household income, the more likely Canadians are to say they are one or two paycheques away from being poor (65% of those earning less than \$30,000, 49% of those earning \$30,000 to \$60,000 compared to only 18% of those earning \$100,000 or more). Women (43%) are more likely to say they are one or two paycheques away from being poor, compared to 34% of men and Canadians under 29 are more likely (43%) to say they are one or two paycheques away from being poor while fewer over 60 (33%) say so.

Compared with 10 years ago, would you say that the gap between the rich and the poor in Canada has widened, narrowed, or has not changed?

About 76% of Canadians believe the gap between the rich and the poor widened over the past 10 years, 4% believe the gap narrowed, and 16% believe the gap has not changed. There is almost no difference between regions, across income groups, by

CHART 6 Most Canadians believe the gap between rich and poor widened in the last 10 years



gender or age. It has been a virtual article of faith among Canadians for the past 10 years that the gap between rich and poor is growing.

How does perception compare with reality? Data from Statistics Canada shows that, while there is some improvement in earned incomes for all Canadians compared to the mid-1990s (when labour markets were just starting the process of recovering from two profound recessions in as many decades), the richest 10% of Canadians saw the most rapid gains in earnings. By 2006, the richest 10% of families raising children earned 71 times more than the poorest 10% — almost two-and-a-half times the ratio in 1976.

For decades, Canadians have been told we need to work harder, make Canada more competitive, grow the economy and ‘a rising tide will lift all boats’. But it hasn’t. The lion’s share of gains from economic growth has gone to the richest 10%, not the majority. Among families raising children in Canada, the bottom half earned 27% of total earnings on average during the period 1976–79. By 2003–06 that share dropped to 20.7% — even though those families are today putting in more time in the workplace. Up to 80% of families lost ground or stayed put compared to the previous generation, in both their share of earnings and after-tax incomes. Relatively little of the gains from this remarkable period of economic growth has trickled down to those in the bottom half of the income spectrum.

Household debt is at a record level high, while household savings are at a record level low. And the gap between rich and poor has been growing at a time when it should have been shrinking. Growing inequality is a trend that usually unfolds during recessionary periods, when the bottom half of the labour market loses access to jobs or to hours of work. If inequality has grown so markedly over the past

decade—a time of strong and sustained economic and job growth—what can we expect as we head into a recession?

Canadians are justifiably concerned about the prospect of a bigger divide between the haves and the have nots.

What should governments do about poverty and income inequality?

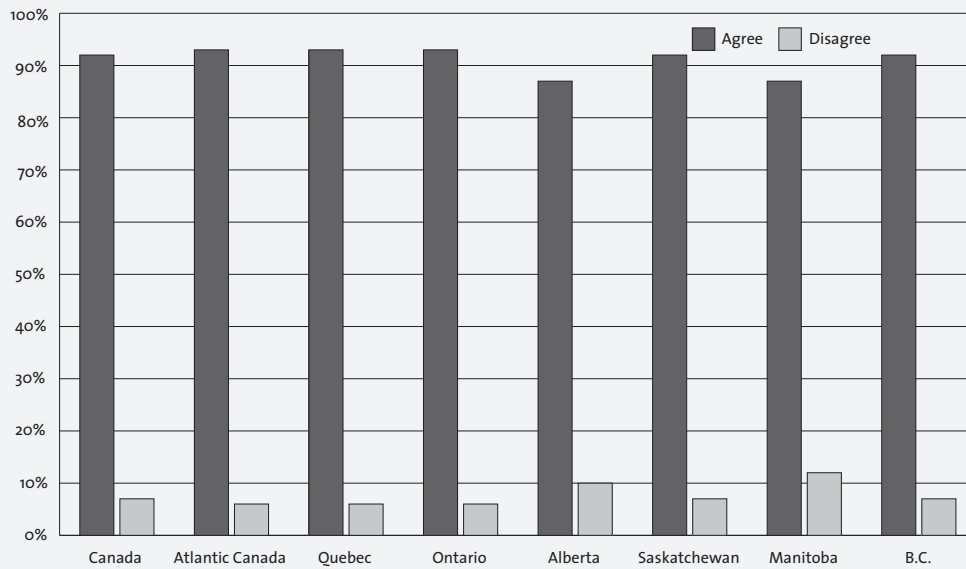
GREAT BRITAIN AND SWEDEN have managed to significantly cut the proportion of poor people in their countries and the province of Quebec has managed to cut its number of poor children by more than half since the mid-1990s.

If other countries can succeed in significantly reducing their number of poor people, so can Canada.

Without similar rates of economic growth, Great Britain, Sweden and other nations have managed to make significantly greater strides toward poverty reduction than Canada. For more than a decade Canadians have been told not to expect much from their governments, but when it comes to reducing poverty and income inequality Canadians beg to differ. Times are changing, as the global economic meltdown is making abundantly clear, and the vast majority of Canadians want their governments to do more, not less, to reduce poverty. A whopping 92% of Canadians agree that if other countries can succeed in significantly reducing their number of poor people, so can Canada.

What's really interesting about this question is, when you break it down by partisan support, it's clear any political party that acts to reduce poverty would win majority support. New Democrats almost unanimously (97%) say if other countries can do it, so can Canada, compared to 95% of Liberal voters, 96% of Green Party voters,

CHART 7 If other countries can reduce poverty, so can Canada



and 93% of Bloc voters. It is particularly notable that this consensus also includes Conservative Party supporters — 88% of whom agree.

There is almost no variation by income, gender or age in the opinion that we could significantly reduce the number of poor people in Canada. There is relatively little regional variation — roughly 93% agree everywhere except in Alberta (87%) and Manitoba (87%). This reflects a strong conviction that there is nothing stopping Canada from taking on poverty reduction more forcefully.

It's time for strong political leadership to reduce the number of poor people in Canada, and in your province.

An overwhelming majority of Canadians (90%) say it's time for strong leadership to reduce the number of poor people in Canada. Atlantic Canadians (95%), Quebecers (94%), and Ontarians (89%) are most likely to say it's time for strong leadership to reduce the number of poor people. Residents of the other provinces are only slightly less likely to agree.

Again there is almost no variation across income (except for a slightly weaker level of agreement by Canadians earning more than \$100,000, at 82%) There is a slight gender bias — women support this view more (93%) than men (86%) but support remains very high across the board. There is little variation by age also, but Canadians under 25 display the strongest support (94%) for this position.

The vast majority of Canadians of virtually every political persuasion agree it is time for strong political leadership to deal with poverty. Liberals, NDP and Bloc vot-

CHART 8 Time for strong leadership

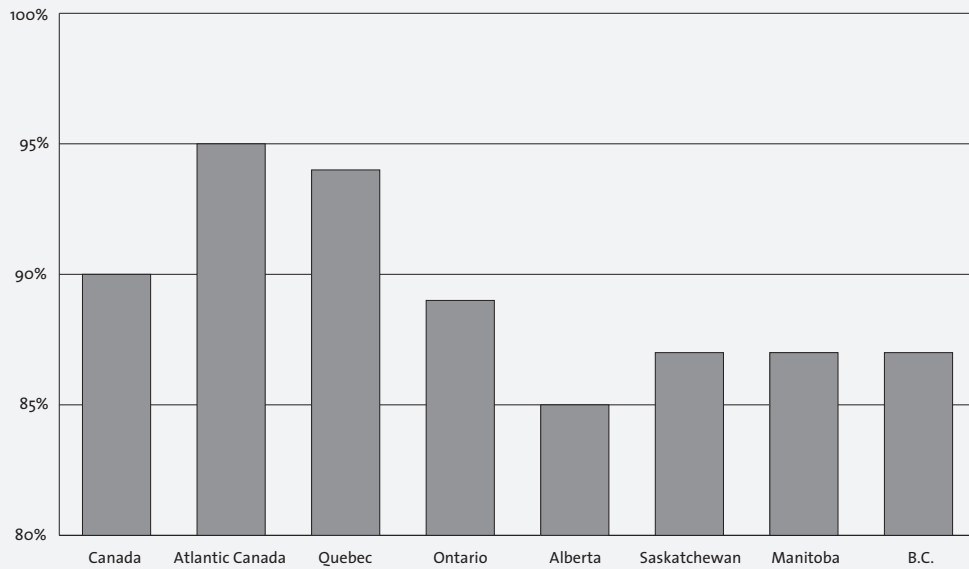
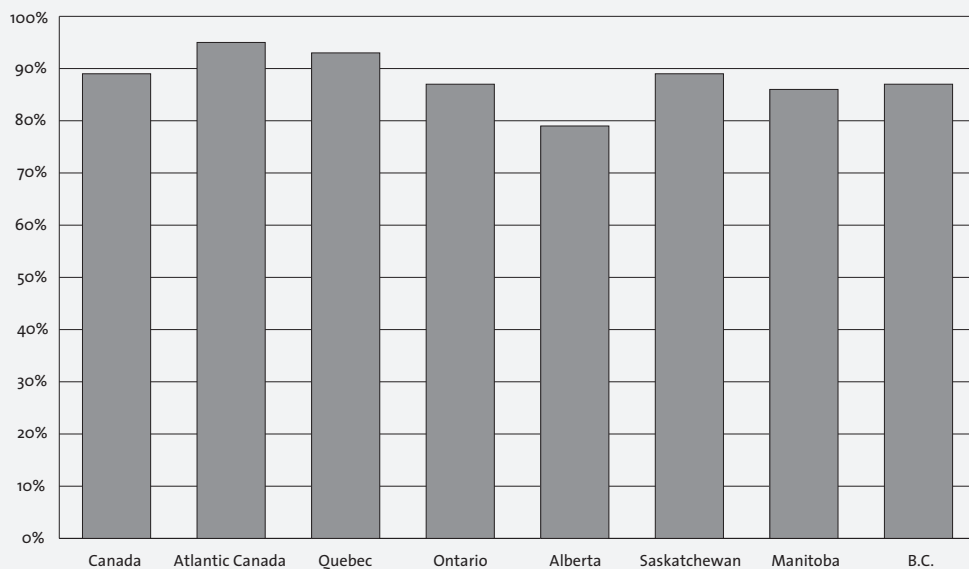


CHART 9 Governments should set concrete targets, timelines

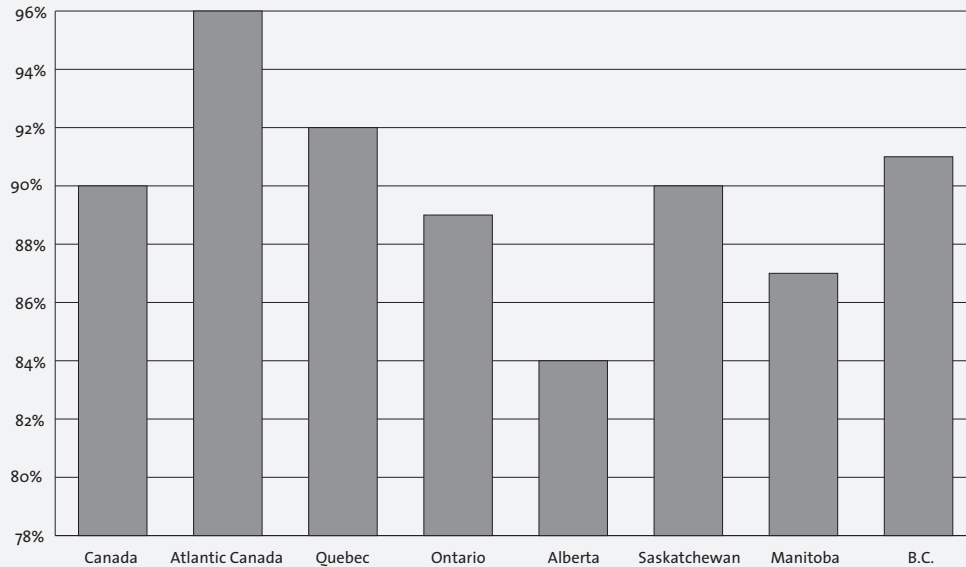


ers are almost unanimous (97%), as are 92% of Green voters. Even among Conservative supporters, 80% agree.

If government took concrete action, poverty in Canada could be drastically reduced.

When we asked this question in 2006, 86% of Canadians said they believed that if government took concrete action, poverty in Canada could be greatly reduced. Two

CHART 10 Most Canadians would feel proud if their Premier took leadership on poverty reduction

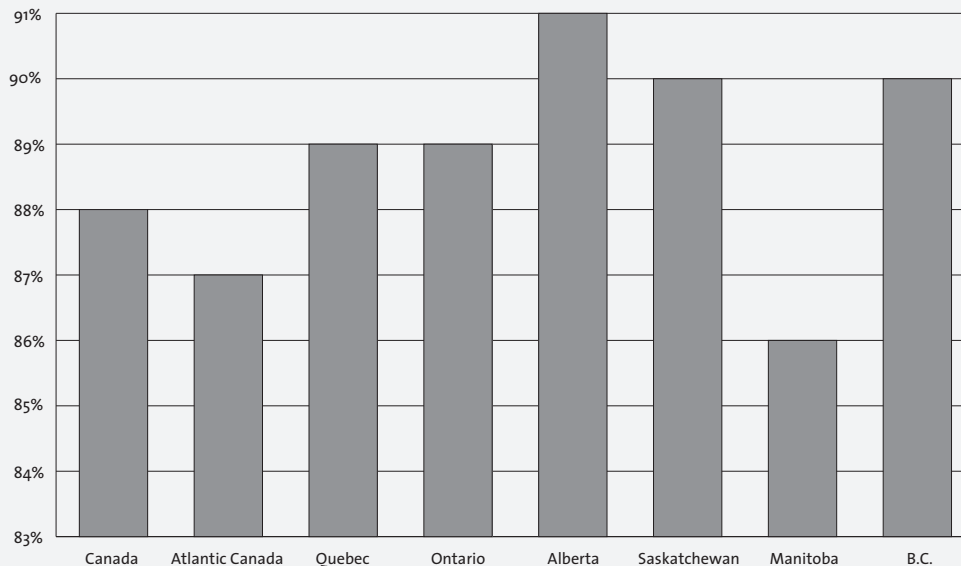


years later, and on the brink of a recession, that sentiment has not weakened. Atlantic Canadians (92%) are most likely to believe government could take concrete action to reduce poverty, followed by 91% of Quebeckers, 86% of British Columbians, and 85% of Ontarians. On this question there is a very clear gender split: 90% of women say governments could reduce poverty while 82% of men agree. New Democrats (96%) are most likely to agree, followed by Liberals (92%), Bloc voters (91%) and Green Party supporters (90%). Once again, though Conservative supporters are less strongly supportive of this sentiment, an overwhelming 75% still agree.

Both the Prime Minister and the provincial Premiers need to set concrete targets and timelines to reduce the number of poor Canadians.

Aspirations are one thing, but most Canadians want their governments to achieve real targets and timelines to reduce poverty: 89% of Canadians say both the Prime Minister and the provincial Premiers need to set targets and timelines. This support is strongest in Atlantic Canada (95%) and Quebec (93%) but is also strong in Saskatchewan (89%), Ontario (87%), B.C. (87%), and Manitoba (86%). Alberta trails with 79% support. Once again, the majority of partisan voters support the notion of timelines — 94% of Bloc voters, 96% of NDP, 92% of Green and Liberal voters, and while Conservative supporters lag with 78% support, it is still a strong majority.

CHART 11 A country where no one lives in poverty



You would feel proud if your Premier took the lead in reducing the number of poor people in your province.

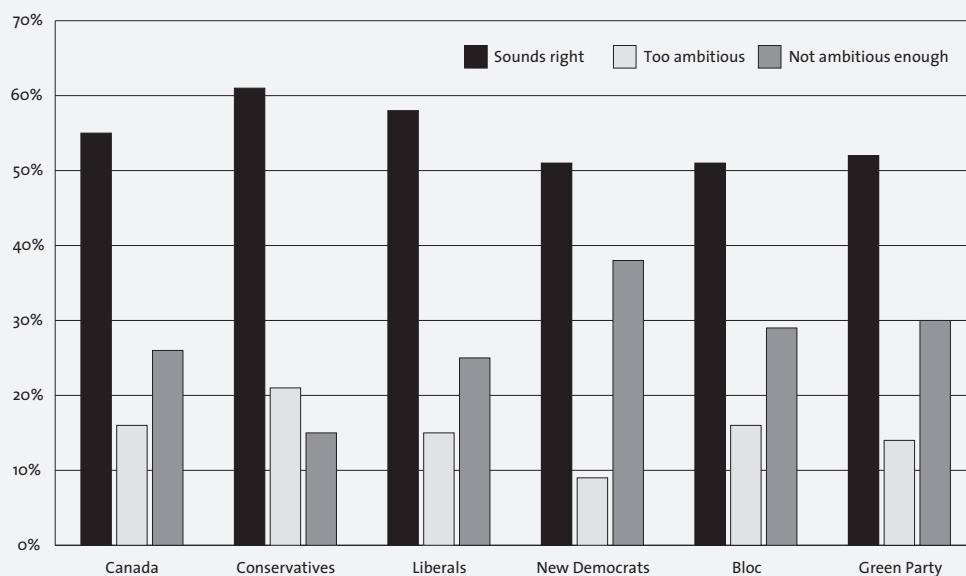
A total of 90% of Canadians would support having their provincial government take the lead on poverty reduction in their province. Atlantic Canadians (96%) are most likely to support such measures, followed by 92% of Quebeckers, 91% of British Columbians, 90% of Saskatchewan residents, 89% of Ontarians, 87% of Manitobans and 84% of Albertans. New Democrat (96%), Liberal (95%) and Bloc (95%) supporters are most likely to support poverty reduction in their province — in overwhelming numbers. Green Party supporters show 95% support and Conservatives lag only modestly with 82% support.

Canada should try to distinguish itself in the world as a country where no one lives in poverty.

Nine in 10 Canadians (88%) agree that Canada should try to distinguish itself in the world as a country where no one lives in poverty. Atlantic Canadians support this sentiment most strongly, with 91% support, compared to 90% of Saskatchewan residents and British Columbians, 89% of Ontarians and Quebeckers and 86% of Manitobans. 81% of Albertans feel the same desire to make Canada a world-class model of what can be done to combat poverty.

Currently, about 11% of Canadians live below the poverty line. Some people say that the government of Canada should set a target of reducing the percentage by one quar-

CHART 12 Does a 25% reduction in poverty in 5 years sound right?



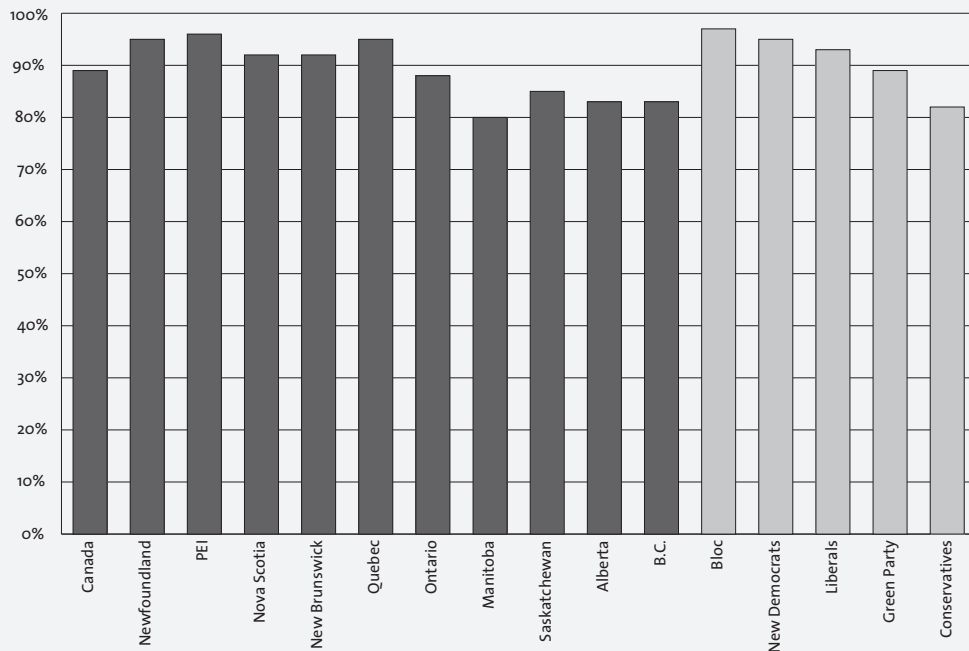
ter—from 11% to 8%—over the next five years. Do you think this target is too ambitious, not ambitious enough or about right?

Eight in ten Canadians (81%) think their governments should act to reduce poverty by at least 25% in the next five years: 55% say a goal of reducing poverty by 25% in five years (from 11% of Canadians to 8%) sounds about right but another quarter of Canadians, 26%, say that’s not ambitious enough—our governments should do better. Only 16% of Canadians think reducing poverty by 25% in five years is too ambitious. Partisan support for a 25% target is pretty even: 61% of Conservatives think that’s about right, compared to 58% of Liberals, 52% of Green Party supporters, and 51% of New Democrats and Bloc supporters. NDP supporters (38%) are more likely to think a 25% reduction isn’t ambitious enough, compared to 29% of Bloc voters, 30% of the Greens and 25% of Liberals. 15% of Conservatives feel poverty reduction needs to go further.

Would you strongly support, somewhat support, somewhat oppose or strongly oppose having your provincial government bring in a concrete strategy to reduce this percentage by 25% over the next five years?

When Canadians learn the poverty rate in their province, 89% of them support their provincial government bringing in a concrete strategy to reduce poverty by 25% in the next five years. Quebeckers (95%), Atlantic Canadians and Ontarians (88%) are most likely to support poverty reduction strategies, followed by Saskatchewan (85%), B.C. and Alberta (tied at 83%), and Manitoba (80%). Women (93%) are far more likely than men (84%) to offer support, though the vast majority agree. There is strong

CHART 13 Government should reduce poverty by 25% in five years



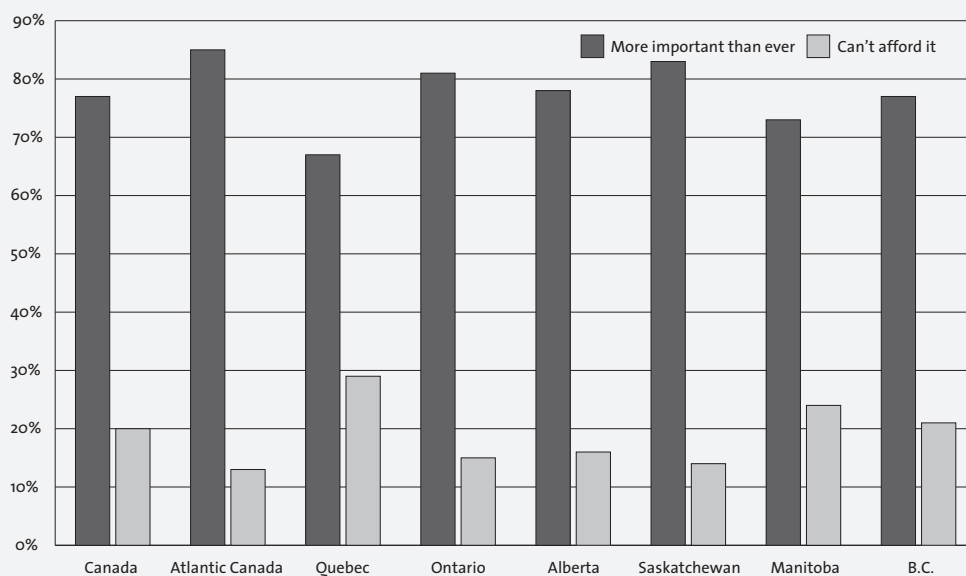
partisan support for such action: 97% of Bloc supporters, 95% of New Democrats, 93% of Liberals, 89% of Green Party supporters and 82% of Conservatives support their provincial government bringing in a concrete strategy to reduce poverty by 25% in five years.

If a provincial political party pledged to make poverty reduction a high priority and proposed clear policies, targets and timelines aimed at reducing the number of poor people, would it make you more or less likely to support that party in the next election?

Three quarters (75%) of Canadians would be more likely to support a 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. Only 12% said that would make them less likely to support a political party. Support is highest in Atlantic Canada (88%), followed by Manitoba (76%) Quebec and Saskatchewan (tied at 75%), Ontario and B.C. (74%), and Alberta (69%). New Democrats (88%), Liberals (84%) and Bloc supporters (80%) are most likely to support a political party who made poverty reduction a high priority, followed by Greens (78%) and Conservatives (64%).

Canada may be heading towards an economic recession. Some people say that if this happens governments will have too many other priorities for governments to make

CHART 14 A recession makes it more important than ever to reduce poverty

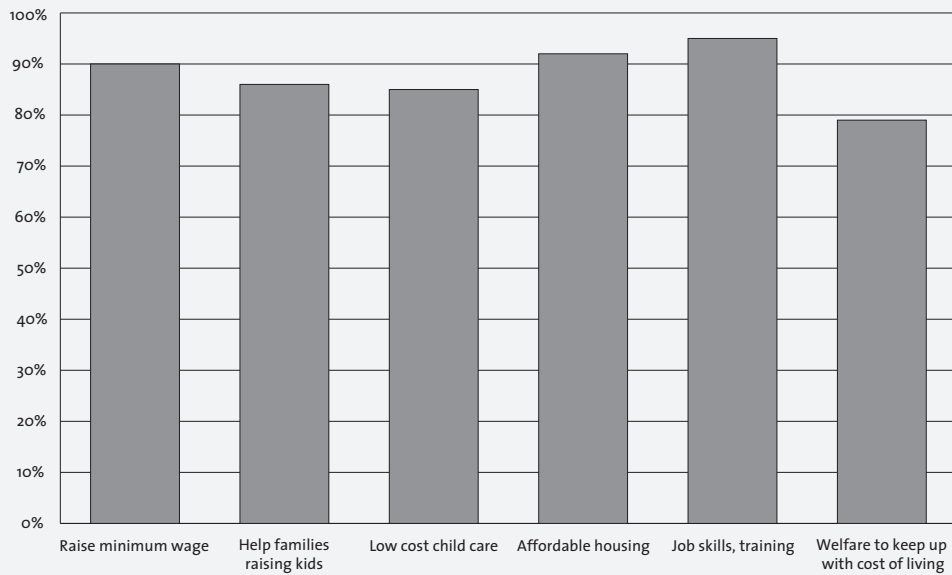


helping poor Canadians a priority. Which of these views is closer to your own: In a recession, governments can't afford to help poor Canadians. In a recession, it's more important than ever to make helping poor Canadians a priority.

The majority of Canadians believe an economic recession is exactly the time for governments to take action on poverty reduction. 77% of Canadians say that in a recession, it's more important than ever to make helping poor Canadians a priority, and only 20% say we can't afford to help during times of recession. Canadians living in the Maritimes, Ontario and Saskatchewan are most likely to agree that recessions are a time for governments to act. 85% of Atlantic Canadians, 83% of Saskatchewan residents, and 81% of Ontarians believe it's more important than ever in recession to make helping poor Canadians a priority. A strong majority in every province believes that a recession is not an excuse for inaction on poverty reduction, though this support drops to 73% in Manitoba, and 67% in Quebec. More than three quarters of those in Alberta (78%) and BC (77%) also think that recessions make it more important than ever to act to reduce poverty.

Looking at responses from a partisan view is also telling. Any party that wants to reduce poverty during a recession would receive majority support, though that support varies according to party affiliation. In terms of support for action during recession, 87% of New Democrats think helping the poor is a priority, compared to 83% of Green Party supporters, 79% of Liberal supporters, 75% of Conservative supporters, and 67% of Bloc supporters.

CHART 15 Actions Canadians support to reduce poverty



HOW TO REDUCE POVERTY IN CANADA

So what do Canadians want their governments to do, specifically, to combat poverty? We asked them about a list of potential policy proposals that would help raise the living standards of poor Canadians, but before we did, we reminded Canadians that paying for these policies could mean higher taxes or cuts in spending in other areas. The results are a ringing endorsement for government action in several key policy areas.

Raising the minimum wage so that full-time work lifts people above the poverty line

The vast majority of Canadians (89%) support raising the minimum wage so that full-time work lifts people above the poverty line. Support is greatest in Atlantic Canada (at 93%) followed by Quebec (91%), Manitoba (90%), Saskatchewan (88%), Ontario (87%), British Columbia (86%) and Alberta (84%). New Democrats (96%) and Bloc voters (95%) are most likely to support raising the minimum wage, followed by Liberals (92%), Greens (89%) and Conservatives (80%).

Improving income support programs to help poor families with the cost of raising kids

86% of Canadians agree with supporting programs to help poor families with the cost of raising kids. Support ranges from 91% in B.C., 89% in Atlantic Canada, 88% in Quebec, 87% in Saskatchewan, 83% in Ontario, 82% in Alberta and 79% in Manitoba. Huge support for this measure exists all across the political spectrum: New

Democrats (94%), Liberals (91%), Bloc supporters (90%), the Greens (86%) and Conservatives (78%).

Creating more low-cost child care spaces

85% of Canadians would like to see their governments create more low-cost child care spaces. There is little variation across the provinces, with the exception of the Atlantic provinces (where 92% would like to see low-cost child care spaces) and Alberta (where 79% support low-cost child care spaces). NDP (96%) and Liberal (94%) supporters are most likely to support low-cost child care, followed by Bloc and Greens (89%) and trailed by Conservatives (75%).

Creating more affordable housing

An overwhelming majority — 92% of Canadians — want to create more affordable housing. There is little variation among provinces, with the exception of a dip to 87% in Manitoba. NDP (97%), Liberal and Bloc supporters (94% each) are most likely to support affordable housing, followed by 93% of Greens and 87% of Conservatives.

Making sure welfare rates keep up with annual increase in the cost of living

77% of Canadians want to make sure welfare rates keep up with annual increases in the cost of living. There is little variation among the provinces, though Atlantic Canada (84%) and B.C. (83%) support this measure more than most. New Democrat voters (85%) are most likely to support raising welfare rates to keep up with the cost of living, followed by Liberals and Blocs (82%), Greens (76%) and Conservatives (70%).

Investing in more job and skills training for people who are in between jobs

Without question, investing in jobs and skills training for Canadians wins the greatest amount of support. 96% of Canadians would like government to invest in more job and skills training for people who are in between jobs. There is little variation among provinces on this measure and almost universal appeal among voters (99% of New Democrats, 98% of Liberals, 97% of Blocs, 96% of Greens, 95% of Conservatives).

Methodology

THESE POLL RESULTS are based on omnibus questions placed on Environics' FOCUS CANADA survey, conducted by telephone with a representative sample of adult Canadians between September 24 and October 21, 2008. The questions were designed by Environics senior researchers in conjunction with representatives from the Canadian Centre for Policy Alternatives (CCPA), Atkinson Foundation and Metcalf Foundation. The questions were pre-tested as part of the overall survey, prior to being finalized.

The sampling method was designed to complete approximately 2,023 interviews within households randomly selected across Canada. The sample is drawn in such a way that it represents the Canadian population with the exception of those Canadians living in the Yukon, Northwest Territories or Nunavut, or in institutions (armed forces barracks, hospitals, prisons).

The sampling model relies on the stratification of the population by 10 regions (Atlantic Canada, Metropolitan Montreal, the rest of Quebec, the Greater Toronto Area, the rest of Ontario, Manitoba, Saskatchewan, Alberta, the Greater Vancouver Regional District and the rest of British Columbia) and by four community sizes (1,000,000 inhabitants or more, 100,000 to 1,000,000 inhabitants, 5,000 to 100,000 inhabitants, and under 5,000 inhabitants).

A total of 2,023 interviews were completed in September and October 2008. A sample of this size will produce a sampling error of plus or minus 2.2 percentage points, 19 times out of 20. The margin of error is greater for results pertaining to regional or socio-demographic subgroups of the total sample. The margin of error

for Manitoba and Saskatchewan is higher (plus or minus 8.8 percentage points) due to smaller sample size.

Notes

¹ Average earnings in Canada in 2007 were about \$39,000. In 2006, the latest available data from Revenue Canada, individuals with taxable incomes of over \$100,000 accounted for only about 5% of all taxfilers. According to Statistics Canada, only 10% of all Canadian households had after-tax incomes of more than \$104,000