



Alberta Poverty Progress Profile

OVERVIEW

Alberta is in the process of developing a provincial poverty plan. This is following an election promise by Premier Alison Redford who proposed the development of an ambitious plan to eliminate child poverty in 5 years and poverty in 10 years in her April 2012 platform.¹ The plan will be grounded in a broader Social Policy Framework and has already been the subject of a consultation process with thousands of Albertans. Alberta may be the province with the highest level of average income but it is also the region with the greatest inequality² and lowest minimum wage³, making addressing poverty a challenge as it requires attention from many angles. The most recent data suggests that between 7%-9.5% of Albertans live in poverty (depending on which metric is used), which translates to between 259,000-354,000 people.⁴ Meanwhile 1 in 10 children in the province lived in poverty in 2011, an 8% improvement from 2010.⁵

Action on the Ground

Social Policy Framework

With the intention of developing guiding principles that would inform social policy in the province, the government of Alberta released *Alberta's Social Policy Framework* in early 2013 following a broad community consultation process. The vision sets the tone for the Framework: "*In Alberta, everyone contributes to making our communities inclusive and welcoming. Everyone has opportunities to fulfill their potential and to benefit from our thriving social, economic, and cultural life*". Although it is an aspirational document, it will inform the development of future policy and programs. Three key priorities of the Framework are the Children's Charter, the 10-year homelessness plan and the Poverty Reduction Strategy.

Following grassroots efforts from around the province including work led by Action to End Poverty in Alberta, the government agreed to develop a poverty plan. Since confirmation of this promise during the 2012 election, Premier Redford has yet to release the Alberta strategy to eliminate poverty but has proposed suggestions as to how this goal will be achieved financially, with the first step being to review all government programs through results-based budgeting and to re-invest the savings into the provincial strategy. However, full details of the plan have yet to surface. One noticeable red flag is the lack of measurement tools recommended to monitor the 5 and 10 year action plans to eliminate poverty.⁶ The final version of the poverty plan is to be released by June 2014.⁷

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Plan to End Homelessness

The Alberta Secretariat for Action on Homelessness (ASAH) was introduced in January 2008 to produce the province's first long term plan on homelessness in Alberta.⁸ Those involved in the Secretariat include service providers, community-based organizations, and municipal leadership.⁹ Since its launch, the plan has successfully housed over 5,900 people, and stabilized 1,455 people.¹⁰ The "Housing First" approach used by the province ensures housing is available with the associated supports for homeless individuals and families. When people are stabilized in housing interactions of health and criminal justice systems drop considerably resulting in cost savings. The ASAH 3rd year progress report notes this and points to 69% less emergency room visits, 72% less days in hospital, interactions with police down by 66%, days in jail reduced by 88%, and court appearances reduced by 69%.¹¹

Municipal Poverty Plans

While the Alberta government pulls together a provincial strategy, eight municipalities have also joined anti-poverty efforts creating local strategies to reduce the impact of poverty in their cities. Calgary, Canmore, Edmonton, Grand Prairie, Lethbridge, Medicine Hat, Municipal District of Wood Buffalo, and Red Deer and surrounding areas have used community consultations to draft key plan principles which include asset building, defining measurable goals, inclusiveness and an educational component that brings the realities of poverty and its impact on society to light. While each city is crafting goals based on local needs and community input, common areas of focus are housing, transportation, living wages, and food security.¹²

Community Engagement in Plan Development

Consultations with community were a feature in the development of the Social Policy Framework. From June to November 2012 the Alberta government reported that they reached 31,000 people and had over 50,000 visits on their website.¹³ This was done through 387 community discussions (59 locations reaching 7,250 participants) and online outreach – website, blog, online wiki and survey, resource library.¹⁴ In the summer and fall of 2013 the government also used these tools to receive input and guidance on drafting the Poverty Reduction Strategy.¹⁵ Known as, "Speak. Share. Thrive." the process included an effort to target specific vulnerable groups, ensure collaboration between government, community members and non-profit organizations, and was intended to encourage community ownership of the Framework.¹⁶

MEASURING PROGRESS

Statistical Indicators of Poverty in Alberta (unofficial measurement tools)

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	LICO¹⁷ Low Income Cut-off After-tax	LIM¹⁸ Low-Income Measurement	MBM¹⁹ Market Basket Measure	Food Bank Usage²⁰	Welfare Caseloads^{21,22} (year represents end of fiscal year)
2000	326,000, 11.1%	303,000, 10.3%	-	48,975, 1.7%	63, 400
2005	271,000, 8.5%	279,000, 8.7%	316,000, 9.9%	45,481, 1.4%	56, 400
2009	279,000, 7.7%	336,000, 9.3%	404,000, 11.2%	53, 976, 1.5%	27,821
2010	247,000, 6.8%	318,000, 8.7%	337,000, 9.2%	59,311, 1.6%	36,711
2011	259,000, 7.0%	304,000, 8.2%	351,000, 9.4%	58,735, 1.57%	39,388
2012	-	-	-	53,512, 1.57%	35,960

* – data not available

Views From Outside the Alberta Government

A number of community members, non-profit groups and service organizations participated in the consultations for both the Social Policy Framework and the Poverty Reduction Strategy. Both strategies were a welcome development and now groups are ready to see action. Some organizations have suggested the government ground the plan in legislation to show commitment. It has also been recommended that an evaluation plan be tied to the strategy.²³ To be successful the Poverty Reduction Strategy will require adequate funds are needed to address inequality. Alberta has a regressive tax system and this is something that Action to End Poverty Alberta pointed to in their report *Poverty Costs 2.0: Investing in Albertans*. The current flat tax system is not beneficial for low and middle income earners, meanwhile wealthy Albertans pay the lowest income tax while low income Albertans pay among the highest. The group recommends considering adjustments to income and corporate taxes to help fund poverty plan and suggests changes to the income tax system could bring in up to \$11 billion annually.²⁴

Another area requiring immediate attention is Alberta Works. Income assistance rates are considered “meagre”. For a two-parent family with three children the monthly assistance rate in the ‘expected to work’ category is \$1,240.²⁵ Compare this to the average rent for a two-bedroom apartment in Calgary which is second highest in the country at \$1,224/mth.²⁶ Low wages and the lowest minimum rate in the country pose a barrier to moving out of poverty. According to a child poverty report, 59.2% of children lived in households with at least one parent working full time.²⁷ “The vast majority of poor people in Alberta are working full-time, full-year and often more than one job.”²⁸ Low income Albertans are on average spending 122% of their income placing them in further financial insecurity.²⁹

Notes on Critical Thematic Areas

- 1. Human Rights:** The Alberta Human Rights Code references discrimination due to source of income,³⁰ but does not explicitly statement that poverty is a violation of human rights. The new Social Policy Framework noted ‘equal rights’ as stated in the Universal Declaration of Human Rights,

but there was no explicit reference to human rights as it relates to poverty or provincial obligations.³¹

- 2. Income Support:** In Alberta, like all other provinces, social assistance rates are dramatically below the poverty line – they have not been keeping up with inflation. In 2013 caseloads averaged 34,000, but this equates to only 1.9% of Albertans receiving social assistance.³² In 2012, the government raised the Assured Income for the Severely Handicapped (AISH) by \$400 to a maximum of \$1588 monthly and has doubled its earning exemption for single adults from \$400 to \$800 monthly,³³ however the majority of people on social assistance are unable to work.³⁴ Alberta sits middle of the pack with income support rates, but a high cost of living is resulting in more Albertan's relying on food banks. From 2008-2012, there was a 59% increase in food bank recipients.³⁵
- 3. Housing:** In 2009, Alberta introduced a 10 year plan to eradicate homelessness by 2019. This plan adopted a housing first strategy and has invested in three key areas: Rapid re-housing, providing client centered supports and preventing homelessness.³⁶ To date, this plan has been successful in moving 5900 previously homeless individuals into a safe home with supports in place to remain housed.³⁷ In the 2013 budget the Alberta government committed \$111 million to the homelessness plan, an increase of \$1.2 million, in an effort to house 1,800 homeless individuals and support 3,200 shelter beds.³⁸ A 2012 count by the Calgary Homeless Foundation found that the rate of homelessness decreased by 11.4% from 2008-2012.³⁹ As of April 2013 the average cost of a one-bedroom in Calgary is \$1,078, which is a city already facing a low rental vacancy rate 1.2%. For a minimum wage earner to afford a bachelor apartment they would need to spend 45% of their total income (\$715/mth).⁴⁰ Evidence also exists that demonstrates that individuals waiting for affordable housing are subject to long waitlists for both subsidized housing and the rental program.⁴¹
- 4. Education:** Alberta has some of the highest levels of literacy and numeracy skills in the country.⁴² Alberta is attempting to address the drop-out rate by eliminating the fees for students to complete high-school. As it stands now, students have to pay for courses when they reach 19 years of age.⁴³ Despite an election commitment to increase spending on post-secondary education by 2%, the government cut \$147 million earmarked for this sector.⁴⁴ However, in the 2013 budget there was an increase in 21% of money available via a student loan program as well as an extra \$250,000 for scholarships.⁴⁵ The K-12 school system will see an operating increase of \$6.1 billion, and the government committed to plans to fund 50 new schools and 70 modernization projects at a total of \$2 billion.⁴⁶
- 5. Early Childhood Education and Care:** Alberta spends the lowest amount on child-care in Canada and has done so since 2003, however, Alberta is one of the bottom three provinces for regulated child care spaces, and has not implemented enough spaces to keep up with the growing population and economy.⁴⁷ Currently there are only enough spaces for 1 in 4 children.⁴⁸ Average costs for child care range between \$950-\$1200 per month, however the government provides a subsidy range of

\$200-\$650 for low-income households. While the government increased the income threshold for the subsidy to \$50,000 from \$35,000 in 2012 to assist more families, many low income families cannot afford the parent fee above the subsidy and are unable to access licensed day care or day homes for their children.⁴⁹ In 2012 the government announced plans for all-day kindergarten but no further details have been released. There is also currently no comprehensive child care plan.⁵⁰

- 6. Health Care:** In 2012-2013, there was a projected budget of \$16.6 billion dollars for Health Care,⁵¹ and in 2013-14 the health budget is set to increase by \$500 million.⁵² In this funding, \$ 1 billion is allocated towards prescription drugs and ambulance services, \$100 million for addictions and mental health and an increase of \$3.4 billion for physician compensation and programs to attract more physicians to the system.⁵³ The government also announced in the 2013 budget that a pharmacare program would be launched in January 2014, assisting the 20% of Albertans without coverage.⁵⁴
- 7. Employment Support:** The unemployment rate in Alberta is among the lowest in the country at 4.8%.⁵⁵ However, Alberta's low-income workers are struggling to survive; full-time, full-year work is not enough to provide income security or for one's long-term well being. Alberta's minimum wage was increased in 2012 to \$9.75 per hour and to \$9.95 in September 2013, is the lowest in Canada.⁵⁶ Alberta has a two tier minimum wage, the lower one for liquor servers is \$9.05 per hour and it has not changed since being introduced.⁵⁷ Minimum wage is inadequate and the basic cost of living would require Albertan's to earn \$12.25 per hour.⁵⁸ In Alberta, 1 in 8 people earn less than \$12 an hour, and half of these earn less than \$10 an hour.⁵⁹ Cancelled in the last budget was \$7 million dedicated for the Student Temporary Employment Program.⁶⁰
- 8. Inequality:** Alberta is facing growing inequality with most gains in the past decade going to the top 1%.⁶¹ Currently the richest 1% earns 18x more than the average income earner, the highest rate in Canada.⁶² While the top 10% of Albertans have doubled their income since 1982, the bottom 90% of Albertans have only had a small rise in income of \$3,200 in the past thirty years.⁶³ Alberta's Aboriginal population faces severe income disparities. Aboriginal men earn 2/3 the wage of non Aboriginal men, and Aboriginal women make half of the earnings non aboriginal women.⁶⁴

THE BOTTOM LINE

Alberta may be a province rich in resources, but it also acts as an example of how some individuals are excluded from the positive impact of an economic boom. Rising inequality also represents an area of concern that has yet to be addressed, and the statistics are pointing in the wrong direction. The creation of a poverty plan could mark the start of change in that regard, but only if what it contains sets appropriate targets and places the most vulnerable at the top of the agenda. Assessing the overall

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impact of the strategy will become an important aspect of the anti-poverty agenda once the plan is released, but it is hoped that detailed measurement tools, timelines and an evaluation mechanism are key features of the plan accompanied by adequate funding to support programs and services. If the success of the province-wide 10 Year Plan to End Homelessness is an indicator, then government commitment, business sector participation and community collaboration will help ensure Alberta is a leader in reducing poverty.

FOR MORE INFORMATION

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ENDNOTES

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