OVERVIEW

Alberta is in the process of developing a provincial poverty plan. This follows an election promise by former Premier Alison Redford who proposed to develop a plan to eliminate child poverty in 5 years and poverty in 10 years in April 2012. 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 average income but it is also a region with significant inequality; this makes addressing poverty a challenge, requiring attention from many angles. The most recent available data suggests that 7-9.5% of Albertans live in poverty (depending on which metric is used) – this translates to between 259,000-354,000 people. In 2013 the Alberta Government estimated that 91,000 children lived in poverty. Alberta currently spends $7-9 billion dollars annually managing poverty.

ACTION ON THE GROUND

SOCIAL POLICY FRAMEWORK

The Government of Alberta released Alberta’s Social Policy Framework in 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 aspirational, the document informs 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, including work led by Action to End Poverty in Alberta, the government agreed to develop a poverty plan. Since 2013, the government has released several documents relating to the poverty plan. These include a discussion paper entitled Together We Raise Tomorrow and reports on Albertans’ response to poverty reduction. The final version of the poverty plan was to be released by June 2014. As of August 2015, however, the government had not yet released a plan.

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. Those involved in the Secretariat include service providers, community-based organizations, and municipal leadership. Since its launch, the plan has successfully housed roughly 4000 previously homeless individuals; 82% of those who have received help through the plan have remained housed. The “Housing First” approach used by the province ensures housing is available with the associated supports for homeless individuals and families. Housing stability is associated with a decrease in interactions with health and criminal justice systems, resulting in cost savings. However, there have not been any further progress reports released in the last few years so specific data is not available.

PROGRESSIVE TAX SYSTEM

The provincial government instituted a progressive tax system in early 2015 which protects low-income Albertans by exempting them from certain taxes and allowing them to pay the same rate of 10% as under the previous flat system. Albertans earning more than $125,000 annually will see an increase to reach 12% tax while Albertans earning more than $300,000 will increase to a maximum of 15%. It is estimated that this will bring in $330 million by 2016-17. Corporate taxes are also increasing from 10% to 12% under the new progressive system.

MUNICIPAL POVERTY PLANS

Eight municipalities have also joined provincial 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. These include asset building, defining measurable goals, inclusiveness and an educational component that exposes the realities of poverty and its impact on society. Each city is crafting goals based on local needs and community input. Common areas of focus include housing, transportation, living wages, and food security. In 2015 Medicine Hat’s homelessness strategy was released and commended by Canadians for effectively managing chronic homelessness in a timely manner.
COMMUNITY ENGAGEMENT IN PLAN DEVELOPMENT

Development of the Social Policy Framework featured community consultations. From June to November 2012 the Alberta Government reported that it reached 31,000 people and had over 50,000 visits on its website. This was done through 387 community discussions (59 locations reaching 7,250 participants) and online outreach – website, blog, online wiki and survey, resource library. In the summer and fall of 2013, the government also received input and guidance on drafting the Poverty Reduction Strategy. The process, known as “Speak. Share. Thrive.” included an effort to target vulnerable groups, ensure collaboration between government, community and non-profit organizations, and promote community ownership of the Framework.

MEASURING PROGRESS

STATISTICAL INDICATORS OF POVERTY (Unofficial Measurement Tools)

<table>
<thead>
<tr>
<th>Year</th>
<th>LICO After-tax</th>
<th>LIM Low-Income Measurement</th>
<th>MBM Market Basket Measure</th>
<th>Food Bank Usage</th>
<th>Welfare Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>326,000, 11.1%</td>
<td>303,000, 10.3%</td>
<td>-</td>
<td>48,975, 1.7%</td>
<td>63,400</td>
</tr>
<tr>
<td>2005</td>
<td>271,000, 8.5%</td>
<td>279,000, 8.7%</td>
<td>316,000, 9.9%</td>
<td>45,481, 1.4%</td>
<td>56,400</td>
</tr>
<tr>
<td>2009</td>
<td>279,000, 7.7%</td>
<td>336,000, 9.3%</td>
<td>404,000, 11.2%</td>
<td>53,976, 1.5%</td>
<td>59,176</td>
</tr>
<tr>
<td>2010</td>
<td>247,000, 6.8%</td>
<td>318,000, 8.7%</td>
<td>337,000, 9.2%</td>
<td>59,311, 1.6%</td>
<td>73,350</td>
</tr>
<tr>
<td>2011</td>
<td>259,000, 7.0%</td>
<td>304,000, 8.2%</td>
<td>351,000, 9.4%</td>
<td>58,735, 1.6%</td>
<td>71,137</td>
</tr>
<tr>
<td>2012</td>
<td>208,000, 5.4%</td>
<td>246,000, 6.4%</td>
<td>280,000, 7.3%</td>
<td>53,512, 1.4%</td>
<td>62,426</td>
</tr>
<tr>
<td>2013</td>
<td>*</td>
<td>300,000, 7.6%**</td>
<td>*</td>
<td>48,653, 1.2%</td>
<td>59,356</td>
</tr>
<tr>
<td>2014</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>49,766, 1.2%</td>
<td>*</td>
</tr>
</tbody>
</table>

* Data not available
** Please note that data from the 2013 calculation of Low Income Measure (LIM) is from the Canadian Income Survey (CIS) instead of the Survey of Labour and Income Dynamics (SLID)”. 
NOTES ON CRITICAL THEMATIC AREAS

1. **HUMAN RIGHTS:** The Alberta Human Rights Code references the dignity and inalienable rights of all people as well as discrimination due to source of income, but does not explicitly describe poverty as 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. The city of Calgary has taken a step in recognizing human rights. In June 2013, the Homeless Charter of Rights was released. The Homeless Charter, ensures that “all citizens of our community – regardless of housing status – are equal in dignity, rights, and responsibility”.

2. **INCOME SUPPORT:** Social assistance rates in Alberta are dramatically below the poverty line – they have not kept up with inflation. 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. However, the majority of people on social assistance are unable to work. In the 2014 budget, the government announced a $1.1 billion investment in AISH, including $192 for AISH health benefits. Alberta sits middle of the pack with income support rates, though a high cost of living is resulting in more Albertans relying on food banks. From 2008 to 2014, there was a 48.2% increase in food bank recipients; nearly 50,000 people used food banks in March 2014 alone. The 2014 budget also announced a $353 million contribution to the Alberta Senior Benefits. This is a $21 million increase from the previous budget. The number of Albertans receiving regular Employment Insurance benefits as of April 2015 was 43,930 – an increase of 42.4% from the year before.

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. To date, this plan has successfully and safely housed 4,400 previously homeless individuals with supports systems as well as created 1,933 housing units for homeless individuals. In February 2013 the Alberta Interagency Council on Homelessness was established to identify barriers in the 10-year plan and advise the government on accommodating at-risk groups (i.e. youth, seniors, Aboriginal people and persons with disabilities). In the 2014 budget, the government allocated $131 million for homeless support programs, a 17% increase over the previous year. These funds are designated to house about 2,000 homeless Albertans and provide 3,200 spaces in emergency and transitional shelters. The province boasts housing over 10,000 homeless individuals and having 3,592 individuals graduate from the Housing First program.

---

In November 2014 a snapshot homelessness count declared that 6,600 people were homeless across the province on different nights. Of this, about 54% were in Calgary, 34% in Edmonton and the remaining 12% were spread across smaller municipalities. Overall, the rate of homelessness decreased from 2008 to 2014 by 16%, although Calgary only experienced a 2% decrease. In March 2015 Medicine Hat made headlines as the first Canadian municipality to boast a successful Housing First strategy ending visible homelessness. The city constructed a plan in 2009 and by 2015, 885 homeless individuals (adults and children) were provided with permanent housing. The plan focuses on matching homeless individuals with a home within 10 days and providing additional support afterwards.

4. **EDUCATION:** Alberta has some of the highest levels of literacy and numeracy skills in the country. However, this does not take into account the Aboriginal population; 22.3% of off-reserve Indigenous people have less than a high school diploma, as opposed to the 12.3% of non-Aboriginal Albertans. The overall high school graduation rate (in five or less years) was 81.7% - a 2.7% increase from 2008. In the 2014 budget, the government increased the operational budget for education by $200 million, a 3.2% increase from the previous budget. In 2015 the new provincial government pledged $40 million for post-secondary education, to freeze tuition for two years and increase base funding for post-secondary schools. An additional $103 million was promised for students from kindergarten through Grade 12 to allow schools to handle an influx of new students this fall.

5. **EARLY CHILDHOOD EDUCATION AND CARE:** Currently there are only enough spaces for 1 in 4 children in need of childcare in Alberta. Average costs for childcare in Calgary range between $924 and $1050 per month. However, the government provides subsidies for low-income households – the maximum being between $546 and $628 for daycare facilities and between $437 and $520 for home care. While the government increased the income threshold for the subsidy to $50,000 from $35,000 in 2012, many low-income families cannot afford the parent fee above the subsidy and are unable to access adequate childcare. In 2014 63% of Alberta childcare providers had waitlists. As a result, 49% of Albertan mothers working part-time do so because they cannot find affordable childcare. In 2012 the government announced plans for all-day kindergarten but no further details have been released. There is also currently no comprehensive childcare plan.

6. **HEALTHCARE:** The government increased its budget for healthcare by $600 million (3.6%) in 2014. Of this, $271 million was allocated to primary care networks and family care clinics, $353 million toward senior programs, and $1.5 billion toward drugs and supplemental health benefits. The province also invested $48 million for addictions and mental health programs. In comparison to the other numbers, the allocation for addictions and mental health are dis-
proportionally low. This is problematic, considering that a sizable portion of expenses to the health system could be avoided through preventative addictions and mental health programs. Critics claim that Alberta spends $1,300 more than the national average on healthcare with little to show for it.\textsuperscript{54} Healthcare spending has steadily grown from the 1980s, from an estimated 18\% to more than 40\% in the last few years.\textsuperscript{55} The new provincial government is planning to invest $500 million in healthcare by the end of 2015 to remedy cuts made by the previous government.\textsuperscript{56}

7. **EMPLOYMENT SUPPORT:** The unemployment rate in Alberta is among the lowest in the country at 5.7\%.\textsuperscript{57} However, Alberta’s low-income workers are struggling to survive; full-time, full-year work is not enough to provide income security and long-term well-being. In the 2014 budget, the government allocated $703 million for employment and income support programs.\textsuperscript{58} Alberta’s minimum wage was increased in 2012 to $9.75 per hour and to $9.95 in September 2013, which was the lowest in Canada.\textsuperscript{59} Alberta currently has a two-tier minimum wage, the lower wage for liquor servers is $9.20 per hour and the general minimum wage is $10.20. Minimum wage rates are going up in October 2015 to $10.20 per hour for liquor servers and $11.20 for the general wage. This is part of the plan to eliminate the two-tier wage by 2016 and raise the minimum wage to $15 per hour by 2018.\textsuperscript{60} The new minimum wage will take Alberta from lowest in Canada (tied with Saskatchewan) to third highest (behind the Northwest Territories and Ontario, respectively).\textsuperscript{61}

8. **INEQUALITY:** Alberta is facing growing inequality with most gains in the past decade going to the top-earning 1\%.\textsuperscript{62} Currently the wealthiest 1\% earns 18 times more than the average income earner, the highest rate in Canada.\textsuperscript{63} While the top 10\% of Albertans have doubled their income since 1982, the bottom 90\% of Albertans have only had a small increase of $3,200 in the past thirty years.\textsuperscript{64} Alberta’s Aboriginal population faces severe disparities. In 2014 11.1\% of Aboriginal people with a university degree or higher education were employed, as opposed to 26.4\% of non-Aboriginal people.\textsuperscript{65}

There is also a significant gap between men and women in Alberta – on average, women earn only 68 cents per dollar that men earn. Women make up 70\% of all part-time workers in the province and 66\% of all minimum wage workers.\textsuperscript{66} Two of Alberta’s biggest cities (Calgary and Edmonton) have been consistently ranked at the bottom of Canada’s top cities for women.\textsuperscript{67} To address this, the new provincial government created the Ministry of the Status of Women. The expressed purpose of the new Ministry is to connect the unique needs of women to other policies, especially those concerned with poverty reduction.\textsuperscript{68}
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 welcome developments and 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. To be successful, the Poverty Reduction Strategy will require adequate funds to address inequality.

Another area requiring immediate attention is Alberta Works. Current 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. Compare this to the average rent for a two-bedroom apartment in Calgary, which is $1,319 per month. Low wages and the lowest minimum wage in the country (tied with Saskatchewan) 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. “The vast majority of poor people in Alberta are working full-time, full-year and often more than one job.” Low-income Albertans are on average spending 122% of their income, placing them in further financial insecurity.

One financial topic that has become an important issue for Alberta is payday lending and the regulations that control it, which expire within the next year. Momentum Community Economic Development has recommended that the provincial government reduce the maximum interest rate that payday lenders can charge (the current rates allow them to charge $23 per $100 loaned). This is an attempt to break the cycle of debt amassed by individuals who are already cash-strapped and turning to payday lending as a last resort. The City of Calgary has responded to growing concern by forming a special task force to consider municipal by-laws regarding payday lending.
THE BOTTOM LINE

Alberta may be rich in resources, but those resources are not equally distributed among its population. Rising inequality, expensive housing and childcare, and low rates of social assistance combine to make poverty a pressing concern for many Albertans. Although the Alberta Government has pledged to create a provincial poverty plan, there have been few developments in the last few years. The provincial 10-Year Plan to End Homelessness is a positive sign, as its success indicates that governmental involvement with poverty reduction is possible. Indeed, the collaboration between government bodies, non-profit organizations, communities and people living in poverty is admirable. Alberta is privileged to have an active non-profit sector in which many organizations provide information and commentary on the way forward for Alberta to be poverty-free. Going forward it is necessary for the provincial government to follow through on its promises for a poverty plan, childcare policies, improving healthcare and education spending, and continuing the 10-Year Plan to End Homelessness.

FOR MORE INFORMATION

CANADA WITHOUT POVERTY
251 Bank Street, 2nd Floor
Ottawa, ON K2P 1X3
613-789-0096 (1-800-810-1076)
info@cwp-csp.ca
ENDNOTES


11 Ibid.


19 Ibid.


23 Ibid.

24 Ibid.


30 Action to End Poverty Alberta and Vibrant Communities Calgary, 2013: p 10. Retrieved from https://d3n8a8pro7vhmx.cloudfront.net/actiontoendpovertyinalberta/pages/19/attachments/original/1402949880/FinalWebReadyPovertyCosts2.0.pdf?1402949880


33 Ibid.


42 Action to End Poverty Alberta and Vibrant Communities Calgary, 2013: p 19. Retrieved from https://d3n8a8pro7vhmx.cloudfront.net/actiontoendpovertyinalberta/pages/19/attachments/original/1402949880/FinalWebReadyPovertyCosts2.0.pdf?1402949880

11

ALBERTA POVERTY PROGRESS PROFILE | CANADA WITHOUT POVERTY, 2015


69 Action to End Poverty Alberta and Vibrant Communities Calgary, 2013: p 33. Retrieved from https://d3n8a8pro7vhmx.cloudfront.net/actiontoendpovertyinalberta/pages/19/attachments/original/1402949880/FinalWebReadyPovertyCosts2.0.pdf?1402949880

70 Action to End Poverty Alberta and Vibrant Communities Calgary, 2013: p 14. Retrieved from https://d3n8a8pro7vhmx.cloudfront.net/actiontoendpovertyinalberta/pages/19/attachments/original/1402949880/FinalWebReadyPovertyCosts2.0.pdf?1402949880


73 Action to End Poverty Alberta and Vibrant Communities Calgary, 2013: p 11. Retrieved from https://d3n8a8pro7vhmx.cloudfront.net/actiontoendpovertyinalberta/pages/19/attachments/original/1402949880/FinalWebReadyPovertyCosts2.0.pdf?1402949880

74 Ibid, p 25.
