British Columbia Poverty Progress Profile

CANADA WITHOUT POVERTY, 2015

OVERVIEW

British Columbia has had one of the highest rate of poverty in Canada for the past thirteen years.¹ B.C. is the only province in Canada without a poverty reduction plan, as Saskatchewan announced its intention to create a plan in fall 2014.² Without a provincial plan, estimates place the cost of poverty in B.C. to be $8-9 billion per year – as opposed to $3-4 billion to put a plan in place.³

Poverty in B.C. is a struggle of low wages and stagnant welfare rates despite soaring housing and food costs. In 2014 nearly 100,000 people (or almost 45,500 households) visited a food bank in a typical month, 30.8% of which were children. This represents a concerning increase of 24.7% food bank users since 2008.⁴ A recent Statistics Canada poll revealed that 6.7% of Vancouverites and 9.5% of B.C. families experience food insecurity. That number jumps to nearly one quarter of single-parent households in the province.⁵ The minimum wage rate is set to increase from $10.25 to $10.45 per hour this September.⁶ Despite this increase, B.C. will still have one of the lowest minimum wages in Canada.⁷ Remarkably, welfare rates have remained frozen since 2007.⁸

Many people in poverty have jobs and work hard but their earnings are not enough to keep them above the poverty line.⁹ Two of the largest costs for families living in poverty are housing and childcare.¹⁰ Poverty is continues to be most prominent in specific marginalized populations, such as Aboriginal peoples, queer and trans people, people with disabilities, recent immigrants, lone-mother households and single senior women.¹¹
Action on the Ground

The B.C. Government has yet to implement any substantial anti-poverty legislation. In 2014 a private members bill calling for a comprehensive poverty reduction strategy, The Poverty Reduction and Economic Inclusion Act, was introduced to the legislature; however, it did not receive a second reading despite strong support. In a response to the BC Child and Youth Advocacy Coalition’s (BCYAC) 2014 Child Poverty Report Card, the B.C. Government dismissed the BCYAC’s primary recommendation for a legislated provincial poverty reduction; it claimed that other provinces’ plans have demonstrated “inconclusive” success.

The government has helped launch anti-poverty initiatives at the local level. In 2012 the Ministry of Children and Family Development and the Union of British Columbia Municipalities began a series of pilot projects to develop Community Poverty Reduction Plans. The government is set to host a second Community Poverty Reduction Strategies Stakeholder Forum to bring community stakeholders together.

One of the most fundamental poverty issues in British Columbia is modifying the hourly minimum wage. There is large public support for raising the minimum wage and raising income assistance significantly and indexing it to inflation. Indeed, advocates claim that the planned minimum wage increases are not enough. In November 2014 the B.C. Federation of Labour launched the Fight for $15 campaign and continues to work with a coalition of allied organizations to encourage the provincial government to implement a $15/hour wage. The Premier has stated that she is opposed to implementing the $15 wage because of its negative impact on small businesses; however, critics, including Vancouver Mayor Gregor Robertson, argue that minimum-wage hikes do not drastically affect businesses but do make significant differences in the lives of British Columbians living in poverty.

Plan Components and Highlights

The Government of British Columbia has not created its own poverty reduction plan. Therefore, this section focuses on the plan first drafted by the Canadian Centre for Policy Alternatives and adopted by the B.C. Poverty Reduction Coalition, a broad-based network of over 400 organizations calling on the provincial government to adopt a poverty reduction plan.

1. PROVIDE ADEQUATE AND ACCESSIBLE INCOME SUPPORT FOR THE NON-EMPLOYED
   • Increase income assistance and disability benefit rates significantly and index to inflation
   • Ensure income support is accessible to those in need by removing arbitrary barriers
2. **IMPROVE THE EARNINGS AND WORKING CONDITIONS OF THOSE IN THE LOW-WAGE WORKFORCE**

- Increase minimum wage to $15/hour; restore the number of employment standards officers
- Increase proactive 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

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

- Establish anti-poverty initiatives that recognize those vulnerable to and constantly living with high poverty rates. This includes: Aboriginal people, queer and trans people, persons with disabilities, recent immigrants and refugees, single mothers and single senior women

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

- Begin building approximately 2,000 new units of social housing per year (not including conversions, rental subsidies or shelter spaces)
- Increase number of supportive housing for those with mental health or addictions

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

- Provide a comprehensive early learning and childcare program including necessities for special needs children
- Adopt the Plan for $10/day Child Care published by the Coalition of Child Care Advocates of B.C. and the Early Childhood Educators of B.C.

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

- Reduce tuition fees by 50% and increase the availability of post-secondary grants for low-income students
- Allow welfare recipients to attend post-secondary education and get apprenticeships
- Adequately fund K-12 education to mitigate inequalities and to ensure adequate library, special needs and ESL programs

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

- Improve and expand fundamental health services and community health care which includes home care, home support, assisted living, long-term care, and community mental health services
MEASURING PROGRESS

Statistical Indicators of Poverty (Unofficial Measurement Tools)

<table>
<thead>
<tr>
<th>Year</th>
<th>LICO(^{22}) Low Income Cut-off After-tax</th>
<th>LIM(^{23}) Low-Income Measurement</th>
<th>MBM(^{24}) Market Basket Measure</th>
<th>Food Bank Usage(^{25})</th>
<th>Welfare(^{***}) Recipients(^{26})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>547,000, <strong>13.2%</strong></td>
<td>615,000, <strong>14.8%</strong></td>
<td>656,000, <strong>15.8%</strong></td>
<td>75,413, <strong>1.8%</strong></td>
<td>148,475</td>
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<tr>
<td>2009</td>
<td>523,000, <strong>12.0%</strong></td>
<td>639,000, <strong>14.6%</strong></td>
<td>684,000, <strong>15.6%</strong></td>
<td>89,886, <strong>2.0%</strong></td>
<td>146,902</td>
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<td>2010</td>
<td>510,000, <strong>11.5%</strong></td>
<td>660,000, <strong>14.9%</strong></td>
<td>697,000, <strong>15.7%</strong></td>
<td>94,359, <strong>2.1%</strong></td>
<td>170,032</td>
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<tr>
<td>2011</td>
<td>476,000, <strong>10.7%</strong></td>
<td>683,000, <strong>15.3%</strong></td>
<td>735,000, <strong>16.5%</strong></td>
<td>90,193, <strong>2.0%</strong></td>
<td>178,921</td>
</tr>
<tr>
<td>2012</td>
<td>469,000, <strong>10.4 %</strong></td>
<td>642,000, <strong>14.3%</strong></td>
<td>670,000, <strong>14.9%</strong></td>
<td>94,966, <strong>2.1%</strong></td>
<td>181,229</td>
</tr>
<tr>
<td>2013</td>
<td>*</td>
<td>654,000, <strong>14.4%****(^{</strong>})</td>
<td>*</td>
<td>94,002, <strong>2.1%</strong></td>
<td>177,898</td>
</tr>
<tr>
<td>2014</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>97,369, <strong>2.1%</strong></td>
<td>176,944</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)\(^{\text{21}}\).
*** “Welfare” refers to the number of people supported under the Temporary Assistance cases and Disability Assistance.

Notes on Critical Thematic Areas

**HUMAN RIGHTS:** The B.C. Poverty Reduction Coalition has recognized the existence of poverty in B.C. as a Human Rights violation and officially adopted a human rights framework for poverty reduction in December 2014.\(^{27}\)

**INCOME SUPPORT:** Income assistance and support for the poorest populations in B.C. are inadequate and inaccessible to those in need. Currently, the average welfare rate for a single employable person is $610 per month – less than the average rent for a bachelor suite in B.C. The rates for on-reserve Aboriginals are even worse – a single employable person receives merely $235/month. These rates haven’t been changed since 1994.\(^{28}\)

Advocates claim that the immediate income assistance program (which is designed to provide help within one business day) has been taking up to several weeks to provide assistance.\(^{29}\) The current push to impose online application onto social-service recipients has also created a huge
Barrier to people living in poverty receiving support.  However, there have been recent successes regarding income assistance; as of September 1, 2015, single parents receiving child-support payments from former partners will not experience income assistance reductions. The B.C. Budget officially announced an end to the clawback of child support from single parents on income and disability assistance. It is estimated that this will return about $13 million to 3,200 families across the province over the next few years, benefitting 5,400 children.

HOUSING: B.C. residents requiring low-income housing experience many challenges and barriers, mainly regarding the lack of low-income housing in the province. Vancouver’s average monthly rent prices are the highest in the country; a two-bedroom unit averages $1,794 per month, well above rates of social assistance, especially for single parent households. In 2012 over 35% of people in Vancouver paid more than 50% of their income on rent and lived in cramped, unhealthy conditions. The B.C. housing waitlist was approximately 10,000 names long and affordable housing is still not being built at a rate that can sustain such demand.

The provincial government used to build 1000-1500 social housing units per year, but only built 280 from 2005-2010. The Government of British Columbia claims to have invested $112 million in affordable housing in 2014. The latest agreement between the federal and provincial government for investing in affordable housing has been renewed until 2019. This made possible several new supportive housing projects. However, an estimated 116,000 people were still either homeless or living in insecure housing conditions in B.C. in 2014. The housing market does not show signs of becoming more affordable, as the benchmark price for purchasing residential properties rose to $694,000 in Metro Vancouver in June 2015. In order to afford an average mortgage in the area, the household income needs to be $123,000. Unsurprisingly, 1 out of 5 residents of Metro Vancouver are dissatisfied with the housing and transportation systems.

EDUCATION: Austerity measures have severely impacted B.C.’s education system over the last decade. B.C. school boards face $56 million in budget cuts and the elimination of more than 350 jobs in the 2015 school year. To reach the national average of students per educator, B.C. needs to hire 6,600 more educators. Since 2009 the number of classrooms with four or more students with special needs has jumped by more than 3,000. Additionally, nearly 200 schools have shut down in B.C., resulting in crowding and further distances for students to travel. Budget cuts have also resulted in outdated textbooks and inadequate supplies. B.C. has the second-lowest funding per student in the country. This has led to a call from advocates for an increase in funding of $1000 per student. The provincial government releases reports relating to all levels of education, including information on Aboriginal students. The results are mostly positive, as almost equal percentages of Aboriginal and non-Aboriginal students passed English, Math, and Social Studies in 2014.
A recent inquiry revealed that B.C. university students are graduating with roughly $35,000 of student debt, which is $10,000 higher than the national average. Indeed, post-secondary education in the province is so expensive that many students are now turning to food banks to survive.48 This is hardly surprising considering that British Columbia offers the lowest levels of non-loan student aid in Canada.49 Advocates call for a reduction in tuition fees by 50% in order to allow more low income students to achieve post-secondary education.50

**EARLY CHILDHOOD EDUCATION AND CARE:** Experts have identified childcare as the second largest family expense (after housing). There is a widespread call for the adoption of a “$10 A Day” plan for regulated, safe childcare modelled after Quebec’s childcare system. The plan was created by the Coalition of Childcare Advocates of B.C. (CCCABC) and the Early Childhood Educators of British Columbia. Under the current system, less than 20% of B.C. children have a space in regulated childcare and the waitlists are quite long. Unsurprisingly, the costs burden an estimated 81% of families. The provincial government contributes the second-lowest amount in Canada per regulated space – $2,207 annually while the Canadian average is $4,070.51

The provision of affordable, high quality and regulated childcare spaces helps to remove barriers to employment faced by working and single-parent families and is one of the most effective ways that government can help families move out of poverty.52 The anticipated child population increases of at least 15,000 by 2016 will only deepen this crisis. In 2014 childcare rates in B.C. ranged from an average of $9,000 annually for preschoolers to almost $13,000 for children under two years.53

**HEALTHCARE:** Poverty is directly linked to poor health and, by extension, costs to the healthcare system. Estimates place this cost in B.C. to be up to $1.2 billion a year.54 Healthcare spending as a whole is estimated to be $17 billion per year, or 40% of the overall budget for the province. B.C.’s health spending per capita is much lower than in most other provinces, but private health care spending has risen approximately 40% since 1998.55 This has a disproportionate effect on those in poverty, putting many medical services and prescription drugs out of reach for British Columbians. A 2012 study published in the Canadian Medical Association showed British Columbians were the least able to afford prescription drugs in Canada.56 The provincial government joined a Pan-Canadian Pharmaceutical Alliance (PCPA) that focuses on bulk buying prescription drugs to keep costs down.57 Rural British Columbians face a shortage of family physicians, hospital and emergency room closures and substandard care at aging hospitals. They are also more likely to travel long distances to urban centres for medical care and experience long ambulance wait times.58 The costs associated with travel to urban areas for medical care are especially burdensome for those living in poverty.
EMPLOYMENT SUPPORT: Most of the people living in poverty in B.C. are employed and approximately one third of children living in poverty in B.C. live in households where at least one parent has the equivalent of full-year, full-time work. The current minimum wage rate is $10.25 per hour and is set to increase to $10.45 per hour in September 2015.\textsuperscript{59} The provincial minimum wage is now fixed to inflation and is set to increase every September for the next few years.\textsuperscript{60} Despite these developments, those working for minimum wage will still fall well below the poverty line. Many poor people have jobs and work hard but their earnings are not enough to keep them above the poverty line.\textsuperscript{61} There is a new program in place to assist roughly 16,000 single parents on income support to go back to school for “in demand” occupations. The Single Parent Employment Initiative allows the parents to collect benefits under income and disability assistance and helps cover the costs of child care, tuition and transportation during the educational year.\textsuperscript{62}

INEQUALITY: B.C. has among the highest income inequality in Canada; tax rebates for the top 1\% of households in B.C. have returned them an average of $41,000 per year since 2001. By contrast, minimum wage earners make roughly $20,000 per year.\textsuperscript{63}

Views From Outside the British Columbia Government

The lack of governmental initiatives has led to the formation of several coalitions in the non-governmental sector to address the growing poverty issues in British Columbia. The B.C. Poverty Reduction Coalition, a collective group of nearly 400 organizations across the province, has taken a leading role in advocating for a provincial strategy with a focus on a comprehensive plan with legislated targets and timelines. First Call B.C. Child and Youth Advocacy Coalition publishes annual report cards on child poverty in B.C. and often calls for the provincial government to make reducing child poverty a real priority. Finally, the Coalition of Childcare Advocates of B.C. created the $10 per day model childcare plan for safe, affordable and regulated childcare across the province.

There is a consensus among the non-governmental organizations and coalitions that the provincial government needs to develop a poverty reduction strategy. Although there are many reports and publications from different sources, there is a lot of overlap when it comes to recommendations. For example, the $10 A Day childcare plan has widespread support due largely to the fact that it targets the main concerns in childcare (affordability and availability) and would provide relief for struggling families.\textsuperscript{67}
THE BOTTOM LINE

Ending poverty in British Columbia would require upfront investment and a strong commitment to addressing the various manifestations of poverty. It is the only province that has not made a commitment to creating a poverty reduction strategy, despite a vocal non-governmental sector that has been calling for change for a long time. British Columbia has high income inequality, low minimum wages and social assistance supports, and long waitlists for childcare and health services. The housing market is becoming increasingly more expensive and unattainable for people living in poverty. Something needs to be done. The approximate cost of a comprehensive poverty reduction plan in British Columbia per year is $3-4 billion dollars while the approximate annual cost of doing nothing is $8-9 billion.68

For More Information

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ENDNOTES

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