



# **British Columbia Poverty Progress Profile**

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## **OVERVIEW**

In recent years, British Columbia has consistently had the highest rate of poverty in Canada, according to the provinces' Low-Income Cut-Off after tax measurements.<sup>1</sup> However; BC still does not have a plan to reduce or eliminate poverty. As of 2009, over half a million British Columbians – 12% of the population<sup>2</sup> - lived in poverty; one fourth of those are children.<sup>3</sup> British Columbia has also held the record for the highest child poverty rate in Canada for eight years in a row according to annual child poverty report cards published by First Call Child and Youth Advocacy Coalition.<sup>4</sup> Caught in a struggle of low wages and stagnant welfare rates, individuals and families in BC who are in need of social assistance find that the social safety net is simply not there. Welfare in BC is both inadequate and inaccessible,<sup>5</sup> and the gap between the rich and the poor has been growing immensely over the years, ultimately resulting in increased inequality.<sup>6</sup> While the current Liberal government is resistant to a poverty plan the New Democratic Party of BC, the Official Opposition, introduced legislation for a poverty strategy in June, and again in November 2011.<sup>7</sup> Leading the charge for a strategy in civil society is the BC Poverty Reduction Coalition (PRC), comprised of a number of community sector organizations.<sup>8</sup>

### **Action on the Ground**

The BC Poverty Reduction Coalition (PRC) includes community and non-profit groups, faith groups, health organizations, businesses, labour organizations, and social policy groups. They have come together in order to encourage the introduction of a comprehensive and strategic poverty reduction plan from the government of British Columbia. This plan would include legislated targets and timelines to significantly reduce poverty and homelessness, and improve the health and wellbeing of all British Columbians. The PRC was established prior to the 2009 provincial election; since their establishment more than 300 organizations and community leaders have joined the call for BC to develop a poverty reduction plan.<sup>9</sup>

According to the BC Poverty Reduction Coalition the following targets and timelines are recommended:

- Reduce BC's poverty rate by 30% within four years, and by 75% within ten years
- Ensure the poverty rate for children, lone-mother households, single senior women, Aboriginal people, people with disabilities and mental illness, and recent immigrants and refugees likewise declines by 30% in four years, and by 75% in ten years – recognizing that poverty is concentrated in these populations
- Within two years, ensure that every British Columbian has an income that reaches at least 75% of the poverty line

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- Within two years, ensure no one has to sleep outside, and end all homelessness within eight years (ensuring all homeless people have good quality, appropriate housing)<sup>10</sup>

**Plan Components & Highlights**

Seven Priority Actions have been identified to meet the targets and timelines:

**1. Provide adequate and accessible income support for the non-employed**

- Increase income assistance and disability benefit rates by 50% 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 \$10.60/hr, and increase with 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

**3. Address the needs of those most likely to be living in poverty**

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

**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 child care program including necessities for special needs children
- Increase pay for childcare workers

**6. Provide support for training and education**

- Increase the availability of post-secondary grants for low-income students
- Reinstate the rule to permit income assistance recipients to retain benefits while attending a post secondary institution

**7. Promote the Health of all British Columbians**

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- 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<sup>11</sup>

**MEASURING PROGRESS**

**Statistical Indicators of Poverty in British Columbia (unofficial measurement tools)**

	<b>LICO<sup>12</sup> Low Income Cut-off After-tax</b>	<b>LIM<sup>13</sup> Low-Income Measurement</b>	<b>MBM<sup>14</sup> Market Basket Measure</b>	<b>Food Bank Usage<sup>15</sup></b>	<b>Welfare Recipients<sup>16</sup></b>
<b>1995</b>	547,000, <b>14.7%</b>	417,000, <b>11.2%</b>	-	-	-
<b>2000</b>	596,000, <b>15.1%</b>	587,000, <b>14.9%</b>	662,000, <b>16.8%</b>	75,987, <b>1.9%</b>	206, 268, <b>5.1%</b>
<b>2005</b>	547,000, <b>13.2%</b>	615,000, <b>14.8%</b>	553,000, <b>12.8%</b>	75, 413, <b>1.8%</b>	71, 442, <b>1.7%</b>
<b>2009</b>	528,000, <b>12.0%</b>	665,000, <b>15.0%</b>	574,000, <b>13.0%</b>	89,886, <b>2.0%</b>	80, 275, <b>1.8%</b>
<b>2010</b>	-	-	-	94,359, <b>2.1%</b>	88, 980, <b>2.0%</b>

\* – data not available

**Views From Outside the British Columbia Government**

Far too many people in British Columbia struggle to make ends meet, and too many children start their lives living in poverty. Poverty in BC ultimately increases higher health care costs (\$1.2 billion per year), higher crime rates (\$ 745 million in 2008), and higher demand for community services – social and charitable (\$6.2 - \$7.3 billion per year).<sup>17</sup> Also, lack of school readiness, reduced school success and results in lower economic productivity are all factors affected by poverty. The BC Poverty Reduction Coalition urges the provincial government to provide leadership, and to adopt and implement poverty reduction targets and timelines<sup>18</sup> According to the Canadian Centre for Policy Alternatives and Statistics Canada, British Columbia has the highest rate of poverty in Canada. After years of strong economic growth and record low unemployment, it is inexcusable that in 2009, over half a million individuals in BC lived in poverty, while homelessness continued to rise. As the province heads into a global economic downturn, British Columbia will be hit hard as poverty continues to get worse, unless action is taken.<sup>19</sup> Representative for Children and Youth, Mary Ellen Turpel-Lafond, calls for a poverty reduction plan in BC and specifically reducing and eventually eliminating child poverty. Turpel-Lafond is committed to pushing community members to get involved in action to encourage the government for a poverty reduction plan in British Columbia.<sup>20</sup>

**Notes on Critical Thematic Areas**

- 1. Human Rights:** There is currently no reference to using a human rights framework in the recommendations made by regional poverty organizations.

- 2. Income Support:** Income assistance and support for the poorest populations in BC are significantly inadequate and inaccessible to those in need. Currently, the average welfare rate for a single employable person is \$610 per month – which is less than the average rent for a bachelor suit in BC. It is expected that single individuals on assistance rent homes for \$375 a month, and receive \$7.58 per day for their basic necessities. According to the 2007 after-tax LICO – this puts these individuals 59% below the poverty line. A single parent with one child receives income assistance of \$946 per month plus approximately \$300 from the federal government however; this total still remains far below the poverty line.<sup>21</sup> Also, there has not been a substantial increase in welfare since 2002. There was a small increase in 2007 however, it was insufficient and all the previous barriers to access welfare are still in place.<sup>22</sup>
- 3. Housing:** According to the 2006 Census data, British Columbia has the worst record of affordable housing in Canada – nearly one in three households are spending more than 30% of their gross income on housing costs. For renters, the situation is even worse – just under half of renters (44%) are spending more than 30% of their income on housing.<sup>23</sup> In 2010, the budget for housing decreased by 3% compared to 2009 – this follows a 16% cut in 2008. High rental prices are the result of extremely low vacancy in BC that continues to decrease each year.<sup>24</sup> With severe housing shortages and high prices, the demand for publicly-subsidized housing far outweighs the supply needed.<sup>25</sup>
- 4. Education:** Beginning in kindergarten until grade 12 – public schools systems have been hit hard, specifically in 2009-2010, with roughly \$157 million in funding shortages. The British Columbia Ministry of Education generally receives the Annual Facility Grant (AFG) – a grant intended for annual facility projects that are required to maintain building assets through their anticipated economic life and prevent any premature deterioration.<sup>26</sup> With the loss of the \$110 million grant in 2009, the funding crisis continues to grow. In the 2010 BC budget, only half of the AFG has been restored. Major cuts to school services and programs include sports teams and limited special education teachers. Tuition fees are at the highest level on record for post-secondary students. BC has the highest student loan interest rate in Canada and has shown a dramatic decrease and eventual elimination in grant programs for these students.<sup>27</sup>
- 5. Early Childhood Education and Care:** Across BC, beginning this past September 2011, children who are five years of age have been integrated into full-day kindergarten, as opposed to part time. This is the first year that the province has made the transition to full day kindergarten for new learners in public schools.<sup>28</sup> Waitlists for licensed child care can be up to a couple of years long. There are only 15% of regulated child care spaces for children under 12 in BC. Next to housing, child care is the second highest cost facing British Columbian households with children.<sup>29</sup> A new Early Childhood Educators of British Columbia (ECEBC) program established by the Coalition of Child Care Advocates modelled after Quebec, would offer \$10 a day childcare. The PRC endorses the plan and hopes the BC government will support it as well.<sup>30</sup> Subsidized universal publicly-funded child care would significantly decrease financial burdens and stress on thousands of low-income households.<sup>31</sup>

- 6. Healthcare:** Since 2001, British Columbia has drastically fallen from 2<sup>nd</sup> to 8<sup>th</sup> place among all Canadian provinces in per capita support for health care. As of January 1<sup>st</sup>, 2010 Medical Service Plan premiums have increased and continue to rise. Staff cuts have resulted in higher workloads, declining service levels and higher injury rates for health care workers. Health authorities are fast-tracking plans for massive restructuring of services in order to cut costs and possibly privatize services in the future. Throughout the province there have been cuts to surgeries, diagnostic and rehabilitation services and closures of operating rooms. Cuts continue for community outreach and support services – with funding slashed for community-based health organizations. The demand for highly-skilled healthcare workers has never been higher although hundreds continue to be laid off or displaced.<sup>32</sup> Nutrition as part of a health prevention program also poses problems. In rural areas of the province, access to nutritious food remains a challenge. Individuals may be forced to travel hours just to reach a grocery store; otherwise produce may only be delivered to scarce areas once or twice a month.<sup>33</sup>
- 7. Employment Support:** A large portion of the poor individuals in BC are employed and over half of the poor children in BC live in households where at least one parent has the equivalent of full-year, full-time work. British Columbia has the highest proportion of working poor families in Canada. BC has gone from having the highest minimum wage in Canada to having one of the lowest.<sup>34</sup> However, very recently BC's minimum wage has been increased for the first time in ten years from \$8 an hour to \$9.25 November 2011 and will increase again to \$10.25 in May 2012.<sup>35</sup> This recent increase will not bring people to the poverty line, and is far from the living wage needed for a family of four which is \$18.81 for metro Vancouver.<sup>36</sup>
- 8. Community Building/ Investment:** With the British Columbia government cutting services and programs, this allows for little room for community building and expansion. Cutting services and programs makes it very difficult for the most vulnerable individuals to get back onto their feet. Services include food banks, shelters, rape crisis centers and employment programs are essential; food bank usage in British Columbia increased by 16% in 2011 compared to 2008 before the recession began.<sup>37</sup> Also, cuts to programs such as art, education and healthcare, continue to rise which reduces employment opportunities within the sector.<sup>38</sup>

## **THE BOTTOM LINE**

Those in poverty get sick faster, die sooner and do not have equal opportunities. The British Columbia government must step forward to reduce and eventually eliminate poverty and homelessness. Hunger and inadequate nutrition, substandard and unsafe housing or no housing at all, having to choose to pay the rent or feed the kids, and enormous stress and social isolation are results of poverty. On this basis alone, the provincial government should take action to reduce and eventually eliminate poverty in British Columbia. Unfortunately, governments tend to focus on price tags associated with poverty reduction policies such as investing in social housing, increasing welfare or implementing universal

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access to child care. What is overlooked is the amount of money and resources governments and society pay in each year as a consequence of poverty. Since poverty is linked to poor health, lower literacy rates, poor school performance for children, increased crime rates and greater stress for family members, it is society as a whole who ends up paying the costs for poverty through public health care costs, increased policing and crime costs, lost productivity, and foregone economic activity. According to the *Cost of Poverty in BC* report, an approximate cost of a comprehensive poverty reduction plan in British Columbia per year is \$3-\$4 billion dollars while on the other hand, the approximate cost yearly of doing nothing is \$8.1-\$9.2 billion.<sup>39</sup> In other words, if British Columbia implemented a poverty reduction plan the government would save up to 50% of spending.

**FOR MORE INFORMATION**

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## ENDNOTES

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<sup>1</sup> Statistics Canada. CANISM Table 202-0804

<sup>2</sup> The BC Poverty Reduction Coalition, "BC Poverty Facts", (2011), <http://bcpovertyreduction.ca/learn-more-a-poverty-reduction-plan-for-bc/>

<sup>3</sup> The BC Poverty Reduction Coalition, "BC Poverty Facts", (2011), <http://bcpovertyreduction.ca/learn-more-a-poverty-reduction-plan-for-bc/>

<sup>4</sup> "BC Poverty Rates the Worst once again, time for Liberals and NDP to work together", *First Call: BC Child and Youth Advocacy Coalition*, (5 June 2011), <http://www.firstcallbc.org/pdfs/CurrentIssues/news%20release%20Jun%2011.pdf>

<sup>5</sup> Klein, S., Cohen, M G., et al. "A Poverty Reduction Plan for BC", (2008), 6, [http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2011/07/ccpa\\_bc\\_poverty\\_reduction\\_full.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2011/07/ccpa_bc_poverty_reduction_full.pdf)

<sup>6</sup> Ibid.

<sup>7</sup> Klein, S. *Policy Note: a progressive take on NC issues*, "NDP propose BC Poverty Reduction Act" (2011), <http://www.policynote.ca/ndp-propose-bc-poverty-reduction-act/>

<sup>8</sup> The BC Poverty Reduction Coalition. (2011) <http://bcpovertyreduction.ca/>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Klein, S., Cohen, M G., et al. (2008), 39-52.

<sup>12</sup> Statistics Canada. CANISM Table 202-0804

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> "Number of separate individuals assisted by food banks, March of each year," (1999-2010), *Food Banks HungerCount Survey*; New Brunswick Department of Finance.

<sup>16</sup> Ministry of Social Development BC Employment and Assistance Summary Report. (2011), 6. <http://www.eia.gov.bc.ca/research/11/11-oct2011.pdf>

<sup>17</sup> Klein, S., Cohen, M G., et al. (2008), 5.

<sup>18</sup> BC Poverty Reduction Coalition. *Working Together for a Poverty free BC*. (2011), <http://bcpovertyreduction.ca/>

<sup>19</sup> Klein, S., Cohen, M G., et al. (2008), 6.

<sup>20</sup> Katie Hyslop, "Government holds fast against provincial anti-poverty plan", *BC Politics*, (29 Sept 2011), <http://thetyee.ca/Blogs/TheHook/BC-Politics/2011/09/29/Government-holds-fast-against-anti-poverty-plan/>

<sup>21</sup> Klein, S., Cohen, M.G., et al, (2008), 26.

<sup>22</sup> Raise the Rates. (2008), <http://www.raisetherates.org/resources.html>

<sup>23</sup> Klein, S., Cohen, M G., et al. (2008), 20.

<sup>24</sup> The Coalition to Build a Better BC, "The Cuts", <http://www.betterbc.ca/the-cuts/>

<sup>25</sup> Klein, S., Cohen, M G., et al. (2008), 20.

<sup>26</sup> British Columbia: Ministry of Education, (2004), [http://www.bced.gov.bc.ca/policy/policies/annual\\_fac\\_grant.htm](http://www.bced.gov.bc.ca/policy/policies/annual_fac_grant.htm)

<sup>27</sup> The Coalition to Build a Better BC.

<sup>28</sup> Hoekstra, M. "Schools brace for all-day kindergarten". (2011), <http://www.cccabc.bc.ca/res/articles/2011/0830a.html>

<sup>29</sup> The Coalition to Build a Better BC.

<sup>30</sup> Early Childhood Educators of BC. (2011), <http://www.ecebc.ca/>

<sup>31</sup> Klein, S., Cohen, M G., et al. (2008), 50.

<sup>32</sup> The Coalition to Build a Better BC.

<sup>33</sup> Colleen Kimmitt, "In BC's Heartland, Healthy Food Can Be Scarce", *The Tyee: BC's home for news culture and solutions*, (26 Jan 2011), <http://thetyee.ca/News/2011/01/26/HeartlandHealthyFood/>

<sup>34</sup> Klein, S., Cohen, M G., et al. (2008), 28.

<sup>35</sup> "Raising minimum wage is a balancing act", *The Daily News*, (2 Nov 2011), <http://www2.canada.com/nanaimodailynews/opinion/story.html?id=0d4c254e-8b80-4b4a-b6d1-ecbfa7c4e25b>

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<sup>36</sup>Klein, S., Cohen, M G., et al. (2008), 35.

<sup>37</sup> Food banks British Columbia. *British Columbia – Hunger Report 2011*. (2011),  
<http://www.foodbankscanada.ca/getmedia/e056d19d-9320-47fa-b683-1c8abb972ab8/HungerCount-2011-BC-Hunger-Report.pdf.aspx?ext=.pdf> Report.pdf.aspx?ext=.pdf

<sup>38</sup>The Coalition to Build a Better BC.

<sup>39</sup>Klein, S. Cohen, M.G. et al. (2008), 5.