

No Safeguards:
A Profile of Urban Poverty in Alberta

Prepared by Community Services Consulting Ltd. for the
Inter City Forum on Social Policy

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INTRODUCTION

This document was prepared for the Inter-City Forum on Social Policy by Community Services Consulting Ltd. of Edmonton, Alberta during January–February 2000.

The **Inter-City Forum on Social Policy** (commonly referred to as the ICF) is an Alberta organization comprised of representatives of Alberta's 18 urban areas (15 cities and three other major urban areas):

- Calgary
- Edmonton
- Strathcona County
- Lethbridge
- Red Deer
- Medicine Hat
- St. Albert
- Wood Buffalo (Fort McMurray)
- Grande Prairie
- Lloydminster
- Airdrie
- Spruce Grove
- Leduc
- Camrose
- Fort Saskatchewan
- Wetaskiwin
- Drumheller (until recently a city)
- Cold Lake (Regional Municipality)

The ICF meets regularly during the year, and acts as an information-sharing and advocacy body for its member municipalities collectively and individually, on behalf of shared and province-wide social issues. It is chaired by one of the municipal representatives, and administrative support is provided by the municipality which the Chair represents. The President of the Family and Community Support Services Association of Alberta (FCSSAA) is a non-voting member.

No Safeguards: A Profile of Urban Poverty in Alberta presents the nature and characteristics of poverty among Albertans in Alberta's major urban centres. The document is about Albertans, was commissioned by an Alberta organization, and was prepared in Alberta. It was not done "by someone else" i.e. by some individual or organization not familiar with or not a part of Alberta.

This document builds on the following:

- a nation-wide study of poverty in Canada's large cities, funded by those cities, which included Calgary and Edmonton;
- a study of poverty in five mid-sized Alberta cities, commissioned and funded by those cities: Lethbridge, Red Deer, Medicine Hat, Wood Buffalo and Grande Prairie; and
- a study of poverty in the "remaining" eleven member municipalities of the ICF, commissioned and funded by those municipalities through the ICF.

Preparation of this document was overseen by a sub-committee of the ICF which met with the author and which also oversaw the study of the remaining eleven member municipalities. Although the document was prepared principally for the member municipalities of the ICF and for the ICF itself, the ICF offers the information and observations contained in the document to any individual or organization wanting or needing to know about urban poverty in Alberta, for the purposes of advocating for Albertans in poverty or for making decisions about steps to deal with issues of poverty.

February 2000
Inter-City Forum on Social Policy

EXECUTIVE SUMMARY

No Safeguards: A Profile of Urban Poverty in Alberta uses census data for 1996 and Statistics Canada's Low Income Cut Off for 1995 to present a snapshot of poverty in 18 urban municipalities in Alberta. The paper was commissioned by the Inter City Forum on Social Policy which represents those municipalities.

The Low Income Cut Off or LICO is used by Statistics Canada to identify families and individuals living in what it calls "straitened circumstances". LICOs are derived from the average percent of family income spent on food, shelter and clothing. LICOs differ by household and population size of an area, with the principle being the larger the urban centre, the higher the basic costs. Although Statistics Canada does not claim to measure poverty with its LICOs, social policy analysts and others concerned with the issue typically refer to the LICO as **the poverty line**. LICOs are convenient because consistent and reliable data is available using this measure.

The paper attempts to address some of the myths about poverty, principally that the problem does not exist in Alberta, that people are poor because they do not work and that poverty is confined to large urban centres. It does this by presenting and describing 22 tables of statistics for the factors frequently associated with poverty: being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family.

Approximately one in five Albertans is poor, a rate that is similar to the one for Canada. There are wide variations across the province however. As expected, the greatest rates of poverty are in Edmonton and Calgary, but Wetaskiwin, Red Deer and Lethbridge also have rates above the provincial average.

Children, youth and the very old are more likely to be poor. In Alberta urban centres, the highest rates of poverty are among children 14 years and younger, people aged 15 to 24 years, and seniors aged 75 and older. Some 96,230 children aged 14 years and under live in poverty in the selected communities. In Calgary, Lethbridge and Red Deer, close to one in four children this age lives in poverty. The highest rate is 29% in Wetaskiwin.

There are gender differences. On average, the poverty rate for women is 20%, slightly higher than the 17% rate for men. Among people 75 years and older, the poverty rate for women is 17% higher than for men.

Lone-parent families are more likely to be poor than are other types of families. Almost one-half of all lone-parent families with children under 18 years are living below the LICO, a rate that far exceeds those for other families. The highest rate of poverty among lone-parent families is in Lloydminster (66%) and the lowest is in Spruce Grove (26%). Nevertheless, many two-parent families also live in poverty in Alberta. For example, in Lethbridge, there are twice as many two-parent families among the poor as there are single-parent families (1,625 versus 820).

Members of our Aboriginal communities and persons with a disability are more likely to be poor, partly because they have encountered barriers in our education and employment systems. Edmonton has the largest population of Aboriginal people and the highest rate of poverty among those people (62%). By comparison, the poverty rates for Aboriginal people living in Airdrie, Strathcona County, Cold Lake and Leduc are much lower, ranging from 10% to 13% (although the absolute numbers are much smaller too).

Almost one in ten Albertans reported some type of a disability in 1996 and almost one-third of them were living below the LICO. Not surprisingly, Edmonton and Calgary have the largest populations of persons with disabilities; however, Red Deer and Wetaskiwin have the highest rates of poverty among this population (35% and 32% respectively). Strathcona County and Spruce Grove have the lowest rates at 10% and 12 % respectively.

There is a direct link between level of education and poverty. One in five Albertans (21%) with less than a high school certificate lives below the LICO. By comparison, only 12% of Alberta residents with a post-secondary certificate are poor. Calgary has the largest number of persons aged 15 years and older with less than a high school certificate; but, at 30%, Edmonton has the highest rate of poverty among this group. The next highest rate is in Wetaskiwin (27%).

Being employed helps in reducing poverty but is not necessarily a safeguard against it. Over three-quarters of the 106,610 poor families in Alberta (77%) were employed for at least part of the 1995 year. Just under one-half worked full-time (44%). These are the "working poor" who earn the minimum wage or close to it.

Twenty-nine percent, or 30,720 of these 106,610 families were lone-parent families with children under 18. Of these 30,720 families, about one-quarter (24%) worked full-time and 46% worked part-time. The poverty rate increases enormously the less these families work: from 26% where the parent works full-time, to 66% where he or she works part-time, to 90% where the parent does not work at all. A poor person is more likely to work part-time than full-time. On average, **one in five poor Albertans works part-time.** What we do not know is the number working more than one part-time job. Most people working part-time are not eligible for benefits such as a health or dental plan and Employment Insurance.

Another way to learn about the distribution of poor families is by looking at the number of earners in a household. One would expect to find the rate of poverty decreasing as more people in a household work. This is not necessarily the case. On average, **the greatest number of poor come from households where there is one earner.** This relationship holds true for all selected communities except Airdrie where there are slightly more poor among households with no earners. In other words, a single earner cannot necessarily keep a family above the poverty line.

Being poor means making choices – difficult choices because the money is rarely enough to meet daily needs. **Under Alberta's Supports for Independence allowance, a single parent with two children ages 3 and 7 receives \$11,852 a year.** The same parent earning Alberta's minimum wage for a 37-hour week would make \$15,220 (including GST rebate and government benefits). Both of these incomes are well below any of the urban LICO rates for a three-person household. The lowest LICO for a household of three is \$20,790, the rate for an urban centre with a population of 30,000 or under.

The parent on SFI would be at home to care for his or her children, but the parent on earned income would need child care, possibly an additional expense. However, after paying shelter costs (rent and utilities), which for the poor in Alberta average \$555 a month, **the parent on the minimum wage income would be left with \$713.33 a month for food, clothing and all other expenses.**

Poor people are more likely to rent, and **over one-third (36%) of all renters in the province are poor**. Renters pay proportionately more of their income on shelter than do home owners. About one in three Alberta families spends more than 30% of its income on shelter. That rate jumps to almost three out of four among poor families.

There was a gradual increase in the number of poor families between 1991 and 1996, with the average increase being 1%. Wetaskiwin, St. Albert and Fort Saskatchewan registered the highest increases of about 3% each. Cold Lake and Grand Prairie saw decreases in the number of poor families of 2% and 1.5% respectively.

Individuals and community groups can do something to alleviate the effect of poverty; however, Albertans can be more effective working together on the problem. In choosing an action, **we must recognize the difference between measures that meet an immediate need**, such as for food or clothing, **and activities that will reduce the level of poverty permanently**. The 18 municipalities commissioning this paper have introduced a number of measures to increase awareness or address the immediate needs of poor people. Potential strategies directed towards the long-term include learning more about poverty, increasing public awareness of the problem, phasing out user-pay policies with a view to increasing access to services, and working with the provincial government to bring about changes to policies that affect the poor.

No Safeguards:

A Profile of Urban Poverty in Alberta

This is a paper about poverty. Poverty in Alberta. In such a rich province? **How big a problem can this be?** We all see reports of hard luck and poverty: a father loses his job and struggles to feed his family, a woman with cerebral palsy can't work, floods leave pensioners destitute. Such cases are deserving of public assistance, and we are generous in our charity towards them. But in Alberta, we like to think these are exceptions. This is an internationally respected democracy, after all, a land of equal opportunity. We tend to associate poverty with laziness or another moral failing. If a guy's poor, well, he probably isn't trying hard enough.

But **are we fair in our thinking?** Are we even accurate? Late in 1999, the Inter City Forum on Social Policy, whose members represent Alberta's urban municipalities, requested census data on urban poverty. This report uses that data to present a snapshot of poverty in 18 selected communities. The results are surprising. Poverty isn't just associated with bad luck or laziness. **In seven of every ten families defined as poor, at least one person works.** And the problem may be bigger than we thought. One in five of the communities' 1.8 million residents lives in poverty. One-third of them are children 14 years and under.

What do we know about poverty? Poverty in Canada is gradually increasing, and more people are beginning to question why. We do know that poverty is associated with certain factors – being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family. As these factors occur in combination, they increase the likelihood of being poor.

With the purpose of furthering our knowledge and understanding, **this paper uses these factors to examine the frequency and depth of poverty in Alberta and the 18 communities.** Using Statistics Canada's Low Income Cut Off as a way of measuring poverty, the paper looks at changes in the rates of poverty and where they occur. It relates living costs to low income. It examines whether poverty is increasing or decreasing. In the last section, the paper suggests what we can do to address poverty and its impacts.

What do we mean by poverty? Third world countries are often cited as the gold standard of poverty. That is where "real poverty" is found. In Canada, can anyone who has housing, heat, a fridge, a stove – or even a TV and phone – be considered poor? The simple answer is yes, because poverty is more than a lack of material things. Poverty has physical, psychological and emotional components. Any Albertan who has to keep a family on income from a minimum wage job could talk about the effects of poverty. And poverty is relative. The poor of one society can only be compared to the average of that society. In the words of Peter Townsend, a British expert on poverty:

Individuals, families and groups in the population can be said to be **in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions which are customary**, or at least widely encouraged or approved, in the societies to which they belong.¹

Compared to other Canadians, our poor are dependent on the benevolence of others, including governments. They lack choices. In many cases, they lack hope. Being at the bottom of society has ramifications. In a society based on exchange – work for wages, money for goods and services – the poor have nothing to exchange but their self-respect.

What are the impacts? Most of us have been hard up at some time, so it isn't difficult to imagine the stress of being poor. What's harder to understand is a life where the worry about making ends meet goes on year after year. When lives become entrenched in poverty, getting out is very tough indeed.

Poor people do not live scaled-down versions of a middle class life. Out of necessity, they have markedly different lives. The poorer a family becomes, the more likely it is to be misunderstood, rejected and excluded by the many. Yet, **as it descends into poverty, a family becomes more dependent on the many**: neighbours, employers, teachers, government workers, strangers. The poor come to rely on the kindness, good humour, and sense of justice of others. They also become dependent on governments which presume to interfere with their lives in exchange for minimal benefits. Is it any wonder that the poor begin to adopt the very characteristics society assigns them: hostility, a lack of will, a reluctance to try hard?

Children of a poor family are disadvantaged. A baby born to a poor mother is more likely to be of low birth weight, a condition linked to illness and physical problems in later life. Poor children often do not eat nutritiously or sufficiently, again the cause of health problems. If their parents are pre-occupied with worry, these children may miss out on the attention and stimulation needed to develop learning skills. Parents' feelings of insecurity may be transferred to the children. Certainly, **a child's participation in school, social and sporting activities will be restricted by the family's lack of resources**. On top of this, children may carry the stigma of poverty, affecting their confidence and self-esteem for much of their life.

Why should we care? Most poor people want to live like everyone else: as productive members of society, in control of their lives, confident of meeting their basic needs, respected by their families and neighbours. We would all be richer if this were possible. When preventable sickness and ill health consume public dollars, when children and adults do not achieve their potential, when social justice is denied, we pay a price. We should care about the poor because to do so is democratic, morally responsible and human. **As long as there is poverty, we are all diminished**.

Caring can take the form of learning more about the causes of poverty and its impacts, of becoming more aware of the poor around us, and of identifying ways to reduce the problem. One place to begin is with this paper examining poverty in Alberta.

How do we measure poverty?

We do not have a single, generally accepted measure of poverty in Canada. Part of the problem is agreeing on what is essential or adequate. Various measures of poverty are used, some based on spending power, others on income.

For 25 years Statistics Canada has used a periodic survey of Canadians to determine what percent of its gross income the average family spends on food, shelter and clothing. The agency then arbitrarily increases this

¹ Townsend, Peter, *Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living* (London, 1979). p. 31.

percentage by 20%, reasoning that any family spending this higher percentage of its income on necessities would be living in "straitened circumstances." With this information, Statistics Canada annually derives the **low income cut-off or LICO**.

LICOs differ according to household size and the population size of an area, with the underlying principle being the larger the urban centre, the more expensive food, clothing and shelter become. **LICO refers to income before tax from salaries, investments and transfer payments** such as Canada Pension (CPP). Each December, the LICO is adjusted to reflect that year's changes in the cost of living.

Statistics Canada does not claim to measure poverty with its LICOs, and is always careful to refer to people with incomes below the LICO as living in "straitened circumstances." However, as the Canadian Council of Social Development explains in its report on poverty in selected Alberta communities,

most social policy analysts argue that living in straitened circumstances in a wealthy country like Canada constitutes relative income poverty. We agree with this perspective and as such, we have treated LICO as poverty lines in this report.²

LICO is also convenient because consistent and reliable data from Statistics Canada is available using this measure. Therefore the 1995 LICO is used throughout this document.

There are limitations to the use of Statistics Canada data, however. Although the LICO distinguishes by population size, it does not take into consideration the economy of an area. This is a limitation, since the local economy affects employment opportunities and cost of living, both of which have a large impact on poverty levels. Many poor are dependent on unskilled work, which tends to be in greater abundance in a booming economy. If housing is limited, forcing shelter costs up, the number of poor will increase. Both situations frequently occur in Alberta.

Another limitation is that Statistics Canada data does not include people with no fixed residence. Street people or the homeless are not included in any statistics. We simply do not know how many there are, and experts continue to debate their numbers.

In providing data for this report, the CCSD applied LICOs as follows: Calgary, Edmonton, Strathcona County, St. Albert, Airdrie, Spruce Grove, Leduc and Fort Saskatchewan are considered in urban areas with populations of 500,000 and over. Lethbridge, Red Deer, Medicine Hat, Wood Buffalo, Grande Prairie and Cold Lake are considered in urban areas with populations 30,000 to 99,999. Lloydminster, Camrose, Wetaskiwin and Drumheller are considered in urban areas with less than 30,000 in population.³

² Lee, Kevin, K. and Gibson-Kierstead, Angela, *Summary Statistics on Poverty in Selected Alberta Communities* (Ottawa 2000). p.1.

³ Ibid., pp.1-2.

The 1995 LICO for a family of four living in Red Deer is \$27,046. Using LICO as the poverty line, any family of this size living in the city on this annual income or a lower one would be considered poor. LICOs for other families and locations can be seen in Table 1. The 1998 LICO rates are provided for comparison.

Table 1: Low Income Cut Off Rates for 1995 and 1998

1995

| Household Size | Size of Area of Residence | | | | Rural Areas |
|----------------|---------------------------|--------------------|------------------|-------------------|-------------|
| | Urban Area by Population | | | | |
| | 500,000 and over | 100,000 to 499,999 | 30,000 to 99,999 | Less than 30,000* | |
| | \$ | \$ | \$ | \$ | \$ |
| 1 person | 16,874 | 14,473 | 14,372 | 13,373 | 11,661 |
| 2 persons | 21,092 | 18,091 | 17,965 | 16,716 | 14,576 |
| 3 persons | 26,232 | 22,500 | 22,343 | 20,790 | 18,129 |
| 4 persons | 31,753 | 27,235 | 27,046 | 25,167 | 21,944 |
| 5 persons | 35,494 | 30,445 | 30,233 | 28,132 | 24,530 |
| 6 persons | 39,236 | 33,654 | 33,420 | 31,096 | 27,116 |
| 7+ persons | 42,978 | 36,864 | 36,607 | 34,061 | 29,702 |

* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

1998

| Household Size | Size of Area of Residence | | | | Rural Areas |
|----------------|---------------------------|--------------------|------------------|-------------------|-------------|
| | Urban Area by Population | | | | |
| | 500,000 and over | 100,000 to 499,999 | 30,000 to 99,999 | Less than 30,000* | |
| | \$ | \$ | \$ | \$ | \$ |
| 1 person | 17,571 | 15,070 | 14,965 | 13,924 | 12,142 |
| 2 persons | 21,962 | 18,837 | 18,706 | 17,405 | 15,178 |
| 3 persons | 27,315 | 23,429 | 23,264 | 21,647 | 18,877 |
| 4 persons | 33,063 | 28,359 | 28,162 | 26,205 | 22,849 |
| 5 persons | 36,958 | 31,701 | 31,481 | 29,293 | 25,642 |
| 6 persons | 40,855 | 35,043 | 34,798 | 32,379 | 28,235 |
| 7+ persons | 44,751 | 38,385 | 38,117 | 35,467 | 30,928 |

* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

How many people are poor?

As Table 2 shows, the percentage of people living in poverty in Alberta, is similar to the national rate: **approximately one in five people are poor**. There are wide variations within Alberta, however.

We tend to think of poverty as occurring in larger cities, and, indeed, the highest percentages or rates of poverty are in Edmonton and Calgary. However, Wetaskiwin, Red Deer and Lethbridge are also higher than the provincial average of 18%. By comparison, Cold Lake and Strathcona County have lower rates of poverty. As we discuss next, poverty is associated with a number of factors such as employment, age, education and family status. An examination of these may help to explain variations in poverty rates across the province.

Table 2: Population by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996 (based on 1995 income)

| | Number of People | | |
|-------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 28,011,400 | 5,514,200 | 20 |
| Alberta | 2,612,240 | 481,520 | 18 |
| Calgary | 760,230 | 156,380 | 21 |
| Edmonton | 606,660 | 157,990 | 26 |
| Strathcona County | 63,550 | 4,340 | 7 |
| Lethbridge | 61,880 | 11,730 | 19 |
| Red Deer | 58,720 | 11,650 | 20 |
| Medicine Hat | 55,550 | 9,500 | 17 |
| St. Albert | 46,530 | 4,680 | 10 |
| Wood Buffalo | 33,000 | 3,970 | 12 |
| Grande Prairie | 30,650 | 4,130 | 13 |
| Lloydminster | 18,640 | 2,900 | 16 |
| Airdrie | 15,780 | 1,400 | 9 |
| Spruce Grove | 14,240 | 1,210 | 8 |
| Leduc | 14,040 | 1,380 | 10 |
| Camrose | 13,240 | 2,060 | 16 |
| Fort Saskatchewan | 12,070 | 1,680 | 14 |
| Wetaskiwin | 10,630 | 2,360 | 22 |
| Drumheller | 5,790 | 670 | 11 |
| Cold Lake | 3,990 | 220 | 6 |

Who is poor?

Being employed is probably the surest safeguard against poverty, but it is no guarantee. In Alberta, families where both parents are employed can be among the "working poor" if the work is part-time or pays a minimum wage. Part-time and minimum wage positions are usually filled by the young, the uneducated, mothers with young children or new immigrants with limited English. (Incomes are discussed later in this paper.)

Poverty is rarely the result of one factor. Studies have found that, in Canada, **poverty is more likely to occur with a combination of factors**: being young or very old, having a low level of education, having a disability, being female, being aboriginal, being unemployed or in a low-paid job, and living in a lone-parent family.

Compared to the general population, children and seniors are more likely to be poor, as are people with less than a high school education. Lone-parent families are more often poor, particularly when the parent is a mother. The rate of poverty is higher among the Aboriginal and disabled communities. In this section, we look at each of those factors to try to understand who is poor in Alberta.

Age and Gender

Children, youth and the very old are more likely to be poor. As Table 3 shows, the highest percentages of poverty are among children 14 years and younger, people aged 15 to 24 years and seniors aged 75 years and older. The breakdown by gender shows that, on average, the poverty rate for women is 20% compared to 17% for men. The very highest rates are among women aged 15 to 24 years and 75 years and older. The greatest difference by gender is among people 75 and over where the poverty rate is 17% higher for women than men.

Table 3: Population by Age, Gender and Poverty Status for Alberta, 1996

| | | Number of People | | |
|---------------|----------------|------------------|------------|--------|
| | | Total | Total Poor | % Poor |
| Total | All ages | 2,612,240 | 481,520 | 18 |
| | 0 to 14 years | 593,360 | 129,150 | 22 |
| | 15 to 24 years | 365,170 | 89,950 | 25 |
| | 25 to 34 years | 425,920 | 82,140 | 19 |
| | 35 to 44 years | 471,470 | 68,470 | 15 |
| | 45 to 54 years | 314,260 | 39,550 | 13 |
| | 55 to 64 years | 199,010 | 33,020 | 17 |
| | 65 to 74 years | 152,090 | 21,050 | 14 |
| | 75+ years | 90,990 | 18,200 | 20 |
| Male | All ages | 1,306,260 | 222,410 | 17 |
| | 0 to 14 years | 304,370 | 65,710 | 22 |
| | 15 to 24 years | 186,030 | 41,730 | 22 |
| | 25 to 34 years | 211,300 | 37,620 | 18 |
| | 35 to 44 years | 237,490 | 31,650 | 13 |
| | 45 to 54 years | 157,930 | 18,530 | 12 |
| | 55 to 64 years | 100,020 | 15,570 | 16 |
| | 65 to 74 years | 72,110 | 7,970 | 11 |
| | 75+ years | 37,020 | 3,650 | 10 |
| Female | All ages | 1,305,980 | 259,110 | 20 |
| | 0 to 14 years | 289,000 | 63,450 | 22 |
| | 15 to 24 years | 179,140 | 48,220 | 27 |
| | 25 to 34 years | 214,620 | 44,530 | 21 |
| | 35 to 44 years | 233,970 | 36,830 | 16 |
| | 45 to 54 years | 156,330 | 21,020 | 13 |
| | 55 to 64 years | 98,990 | 17,460 | 18 |
| | 65 to 74 years | 79,970 | 13,080 | 16 |
| | 75+ years | 53,970 | 14,550 | 27 |

Some rates are easier to explain than others. People aged 15 to 24 are usually still in school or college, sometimes with part-time or summer jobs. They may be poor temporarily, but their prospects are good. Many women aged 75 and over will have never worked outside the home, so do not qualify for a pension. Since women typically outlive men by ten years, they are probably widows living on a fixed income from Old Age Security and the Guaranteed Income Supplement. We can assume that some women aged 15 to 24 are mothers with young children working part-time. Some of them may also be single parents.

But how do we explain the high rate of poverty among children 14 years and under? How else can a child be poor except as the product of parents who are poor? It is worth looking more closely at this group.

Distribution of Poor Children

Some 96,230 children aged 0 to 14 years live in poverty in the selected communities. In Calgary, almost one in four children this age lives in poverty. In Edmonton, the number is closer to one in three, or 40,400 children. Despite their smaller populations, the percentages of poor children in Lethbridge, Red Deer and Medicine Hat are comparable to Calgary's. **There are 3,200 poor children under age 15 in Red Deer.** Wetaskiwin stands out among the smallest municipalities with a child poverty rate of 29%. Cold Lake has the lowest rate: 4%. Table 4 shows the distribution.

Table 4: Children by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of Children 0 to 14 years | | |
|-------------------|----------------------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 5,737,020 | 1,344,530 | 23 |
| Alberta | 593,360 | 129,150 | 22 |
| Calgary | 161,720 | 38,410 | 24 |
| Edmonton | 125,830 | 40,400 | 32 |
| Strathcona County | 15,490 | 1,330 | 9 |
| Lethbridge | 12,320 | 2,790 | 23 |
| Red Deer | 13,660 | 3,200 | 23 |
| Medicine Hat | 9,400 | 2,110 | 22 |
| St. Albert | 11,230 | 1,310 | 12 |
| Wood Buffalo | 8,650 | 1,290 | 15 |
| Grande Prairie | 7,560 | 1,140 | 15 |
| Lloydminster | 4,850 | 1,030 | 21 |
| Airdrie | 4,780 | 460 | 10 |
| Spruce Grove | 3,630 | 400 | 11 |
| Leduc | 3,340 | 400 | 12 |
| Camrose | 2,720 | 510 | 19 |
| Fort Saskatchewan | 2,960 | 510 | 17 |
| Wetaskiwin | 2,410 | 710 | 29 |
| Drumheller | 1,230 | 170 | 14 |
| Cold Lake | 1,230 | 60 | 4 |

Lone-parent Families

The high rate of poverty among children becomes more clear as we examine other factors. Lone-parent status is one factor. As Table 5 shows, half of all lone-parent families with children under 18 are living on or below the LICO – a rate that far exceeds those for other types of economic families. Nevertheless, looking at numbers rather than percentages, we see that 40,870 two-parent families with children under 18 are also poor. Not all lone-parent families are poor and not all poor families are lone-parent. Table 5 also reflects the high rate of poverty among unattached women, many of whom will be the seniors.

Table 5: Households by Type and Poverty Status for Alberta, 1996

| | Number of Families | | % Poor |
|---|--------------------|------------|--------|
| | Total | Total Poor | |
| Total: Economic Families | 715,390 | 106,610 | 15 |
| Couples with no children under 18 | 312,560 | 25,910 | 8 |
| Couples with children under 18 | 299,990 | 40,870 | 14 |
| Lone-parent families with children under 18 | 59,840 | 30,720 | 51 |
| All other families | 43,010 | 9,120 | 21 |
| Total: Unattached individuals | 331,050 | 129,790 | 39 |
| Male | 170,110 | 58,850 | 35 |
| Female | 160,950 | 70,940 | 44 |

Note: Economic family refers to a group of two or more persons living in the same dwelling who are related to each other by blood, marriage, common-law or adoption. Unattached individual refers to a household member who is not a member of an economic family. A person living alone is an unattached individual.

Distribution of Lone-parent Families

The distribution of lone-parent families tells us more about poverty in the selected communities. Outside of Edmonton and Calgary, Red Deer has the largest number of lone-parent families, 2,100. While the rate of poverty among lone-parent families in Red Deer is above the provincial average, it is not the highest. Lloydminster, Edmonton, Medicine Hat and Wetaskiwin have higher rates, with Lloydminster's rate of 66% being the highest of all the communities selected. Spruce Grove's rate of 26% is considerably lower than the others. Table 6 shows all lone-parent families and those living in poverty in the selected communities.

Table 6: Lone-Parent Economic Families by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of Families | | |
|-------------------|--------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 697,260 | 383,070 | 55 |
| Alberta | 59,840 | 30,720 | 51 |
| Calgary | 18,010 | 9,010 | 50 |
| Edmonton | 18,060 | 10,980 | 61 |
| Strathcona County | 950 | 330 | 34 |
| Lethbridge | 1,520 | 820 | 54 |
| Red Deer | 2,100 | 1,170 | 55 |
| Medicine Hat | 1,110 | 620 | 56 |
| St. Albert | 900 | 310 | 35 |
| Wood Buffalo | 890 | 420 | 47 |
| Grande Prairie | 800 | 380 | 47 |
| Lloydminster | 650 | 430 | 66 |
| Airdrie | 350 | 120 | 34 |
| Spruce Grove | 310 | 80 | 26 |
| Leduc | 410 | 160 | 39 |
| Camrose | 320 | 170 | 52 |
| Fort Saskatchewan | 270 | 120 | 45 |
| Wetaskiwin | 300 | 180 | 58 |
| Drumheller | 160 | 80 | 48 |
| Cold Lake | 70 | 30 | 38 |

Distribution of Two-parent Families

Although the rate of poverty among lone-parent families is much higher than among couples with children under 18, the latter accounts for larger numbers of poor. For example, when we examine the number of all families with children under 18 living in poverty in Alberta, we see there are 40,870 such two-parent families compared with 30,720 lone-parent families. **The number of two-parent families in poverty is higher in many of the larger centres.** One notable exception is Red Deer where 1,170 lone-parent families live in poverty compared with 700 two-parent families who are poor. The smaller urban centres also tend to have larger numbers of lone-parent families than two-parent families living in poverty.

The rate of poverty among two-parent families is highest in Edmonton, Calgary, and Wetaskiwin, and lowest in Cold Lake. Table 7 shows the distribution.

Table 7: Two-Parent Economic Families with Children under 18 by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of Families | | |
|-------------------|--------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 3,014,955 | 428,245 | 14 |
| Alberta | 299,990 | 40,870 | 14 |
| Calgary | 83,550 | 13,160 | 16 |
| Edmonton | 61,170 | 12,250 | 20 |
| Strathcona County | 8,745 | 455 | 5 |
| Lethbridge | 6,265 | 850 | 14 |
| Red Deer | 6,365 | 700 | 11 |
| Medicine Hat | 4,875 | 575 | 12 |
| St. Albert | 6,255 | 410 | 7 |
| Wood Buffalo | 4,725 | 315 | 7 |
| Grande Prairie | 3,790 | 260 | 7 |
| Lloydminster | 2,250 | 165 | 7 |
| Airdrie | 2,490 | 125 | 5 |
| Spruce Grove | 1,985 | 140 | 7 |
| Leduc | 1,725 | 95 | 6 |
| Camrose | 1,350 | 120 | 9 |
| Fort Saskatchewan | 1,525 | 130 | 9 |
| Wetaskiwin | 1,115 | 180 | 16 |
| Drumheller | 625 | 40 | 6 |
| Cold Lake | 625 | 10 | 2 |

Distribution of Aboriginal Population

Members of our Aboriginal communities are more likely to be poor than other Canadians, partly because they have encountered barriers in our education and employment systems. **Edmonton has both the largest population of Aboriginal people, 24,110 and the highest rate of poverty: 62% or 14,850 people living below the LICO.** At 59%, Lethbridge's rate is not far behind (although the number is very much smaller). Both cities are well above the provincial average of 44%. By comparison, Airdrie, Strathcona County, Cold Lake and Leduc's rates are low, ranging from 10% to 13%.

Compared to the poverty rate for lone-parent families as shown in the previous table, the rate for Aboriginal people is lower in every community except Edmonton, Calgary and Lethbridge. The absolute numbers are also lower. Being of Aboriginal status is less likely to indicate poverty than is being a lone-parent in these selected communities. (Of course, some of these families will be both Aboriginal and lone-parent.) The findings appear in Table 8.

Table 8: Aboriginal Population by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of People | | |
|-------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 495,330 | 215,060 | 43 |
| Alberta | 88,940 | 39,070 | 44 |
| Calgary | 13,800 | 6,980 | 51 |
| Edmonton | 24,110 | 14,850 | 62 |
| Strathcona County | 760 | 80 | 11 |
| Lethbridge | 1,690 | 990 | 59 |
| Red Deer | 1,970 | 1,050 | 53 |
| Medicine Hat | 730 | 310 | 42 |
| St. Albert | 950 | 190 | 20 |
| Wood Buffalo | 3,110 | 760 | 24 |
| Grande Prairie | 1,840 | 590 | 32 |
| Lloydminster | 1,630 | 740 | 45 |
| Airdrie | 240 | 30 | 10 |
| Spruce Grove | 290 | 60 | 19 |
| Leduc | 400 | 50 | 13 |
| Camrose | 310 | 110 | 34 |
| Fort Saskatchewan | 310 | 120 | 37 |
| Wetaskiwin | 720 | 290 | 41 |
| Drumheller | 150 | 30 | 17 |
| Cold Lake | 210 | 30 | 12 |

Distribution of Persons with a Disability

Canadians with a disability are more likely to be poor than are other Canadians. As with Aboriginal people, many persons with a disability have encountered barriers in the education system and the work place. Some are also limited in the type of work they can do. People with severe physical or mental disabilities often need devices or personal aides to help them function in their daily lives. Adaptations may have to be made to their homes. Any of these necessities can prove expensive. As a result, many people with disabilities live in "straitened circumstances." The most severely disabled will receive an allowance from the Alberta government under Assured Income for the Severely Handicapped. Opportunities to work, participate in other activities or obtain aides to daily living tend to be greater in larger cities.

Almost one in ten Albertans reported some type of a disability in 1996, and almost one-third of them were living below the LICO. Edmonton and Calgary have the largest populations of persons with disabilities, and, with Red Deer and Wetaskiwin, the highest rates of poverty among this population. Strathcona County and Spruce Grove have the lowest rates at 10% and 12% respectively.

Table 9: Persons with Disabilities by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of People | | |
|-------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 2,789,900 | 858,000 | 31 |
| Alberta | 254,470 | 74,510 | 29 |
| Calgary | 69,080 | 23,380 | 34 |
| Edmonton | 67,650 | 26,300 | 39 |
| Strathcona County | 4,220 | 430 | 10 |
| Lethbridge | 7,270 | 1,900 | 26 |
| Red Deer | 6,190 | 2,150 | 35 |
| Medicine Hat | 5,670 | 1,560 | 27 |
| St. Albert | 2,960 | 580 | 20 |
| Wood Buffalo | 1,810 | 420 | 23 |
| Grande Prairie | 2,520 | 710 | 28 |
| Lloydminster | 1,700 | 440 | 26 |
| Airdrie | 1,190 | 210 | 18 |
| Spruce Grove | 1,170 | 150 | 12 |
| Leduc | 1,320 | 240 | 18 |
| Camrose | 1,850 | 400 | 22 |
| Fort Saskatchewan | 1,120 | 300 | 27 |
| Wetaskiwin | 1,490 | 480 | 32 |
| Drumheller | 580 | 150 | 25 |
| Cold Lake | 170 | 30 | 18 |

Distribution of Unattached Individuals

Statistics Canada uses the term, unattached individuals, to refer to persons who are not a member of an economic family. Young people sharing accommodation would be considered unattached. A person living alone is always unattached regardless of marital status.

Unattached individuals among the poor could be students or young people earning low wages. However, in the smaller urban communities, particularly where one would not expect to see a student population, **they are more likely to be persons over the age of 65**. As Table 3 showed, 34% of all poor fall into this age group. A larger proportion of these seniors will be women. Table 10 shows the distribution of unattached individuals.

Table 10: Unattached Individuals by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of People | | |
|-------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 3,584,510 | 1,511,570 | 42 |
| Alberta | 331,050 | 129,790 | 39 |
| Calgary | 112,400 | 46,970 | 42 |
| Edmonton | 95,950 | 44,900 | 47 |
| Strathcona County | 3,070 | 760 | 25 |
| Lethbridge | 9,210 | 3,930 | 43 |
| Red Deer | 9,050 | 3,710 | 41 |
| Medicine Hat | 6,260 | 2,400 | 38 |
| St. Albert | 2,800 | 980 | 35 |
| Wood Buffalo | 2,970 | 900 | 30 |
| Grande Prairie | 4,210 | 1,420 | 34 |
| Lloydminster | 2,210 | 650 | 29 |
| Airdrie | 1,010 | 240 | 24 |
| Spruce Grove | 910 | 220 | 24 |
| Leduc | 1,150 | 280 | 24 |
| Camrose | 2,070 | 810 | 39 |
| Fort Saskatchewan | 950 | 370 | 39 |
| Wetaskiwin | 1,610 | 650 | 40 |
| Drumheller | 920 | 230 | 25 |
| Cold Lake | 310 | 40 | 13 |

Level of Education

There is a direct link between level of education and poverty. Albertans with less than a high school certificate are more likely to be poor because they tend to get stuck in low paying, dead-end jobs and have limited opportunities to improve their situation. Low paying employment is often seasonal or sensitive to the ups and downs of the local economy.

One in five Albertans with less than a high school certificate (21%) lives below the LICO. By comparison, only 12% of those with a post-secondary certificate are poor.

Table 11: Population Aged 15 Years and Older, by Highest Education Certificate and Poverty Status by Canada and Alberta, 1996

| | Number of People | | |
|---------------------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | | | |
| Total population | 22,274,340 | 4,169,670 | 19 |
| Post-secondary certificate | 7,045,040 | 872,340 | 12 |
| Secondary certificate | 5,175,880 | 922,880 | 18 |
| Less than secondary certificate | 10,053,410 | 2,374,450 | 24 |
| Alberta | | | |
| Total population | 2,018,880 | 352,370 | 17 |
| Post-secondary certificate | 635,240 | 75,910 | 12 |
| Secondary certificate | 432,700 | 76,410 | 18 |
| Less than secondary certificate | 950,940 | 200,050 | 21 |

Distribution by High School Certificate

Calgary has the largest number of persons 15 years and older with less than a high school certificate; but at 30% Edmonton has the highest rate of poverty among this group. The next highest rate is in Wetaskiwin (27%). In other locations, such as Cold Lake, Spruce Grove and Leduc, the 1996 rates were much lower than the provincial average, possibly a reflection of a healthy local economy with opportunities for unskilled workers.

Table 12: Population Aged 15 years and Older with Less than a High School Certificate by Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of People | | |
|-------------------|------------------|------------|--------|
| | Total | Total Poor | % Poor |
| Canada | 10,053,410 | 2,374,450 | 24 |
| Alberta | 950,940 | 200,050 | 21 |
| Calgary | 236,670 | 59,830 | 25 |
| Edmonton | 218,750 | 66,350 | 30 |
| Strathcona County | 18,910 | 1,640 | 9 |
| Lethbridge | 17,580 | 3,820 | 22 |
| Red Deer | 17,560 | 4,350 | 25 |
| Medicine Hat | 16,510 | 3,450 | 21 |
| St. Albert | 12,850 | 1,690 | 13 |
| Wood Buffalo | 7,960 | 1,350 | 17 |
| Grande Prairie | 8,620 | 1,620 | 19 |
| Lloydminster | 6,040 | 1,120 | 18 |
| Airdrie | 4,990 | 620 | 12 |
| Spruce Grove | 5,270 | 530 | 10 |
| Leduc | 5,600 | 630 | 11 |
| Camrose | 4,580 | 780 | 17 |
| Fort Saskatchewan | 4,130 | 720 | 17 |
| Wetaskiwin | 3,820 | 1,040 | 27 |
| Drumheller | 1,920 | 290 | 15 |
| Cold Lake | 710 | 60 | 8 |

Annual Employment

Employment helps in reducing poverty but is not necessarily a safeguard against it. Over three-quarters of the 106,610 poor families in Alberta (77%) were employed for at least part of the 1995 year. Just under one-half worked full-time (44%). These are the "working poor" who earn the minimum wage or close to it.

Of the 106,610 poor families in Alberta in 1996, 29% were lone-parent families with children under 18. (Refer to Table 4.) Of these 30,720 families, about one-quarter (24%) worked full-time and 46% worked part-time. Thirty percent did not work at all. As Table 13 shows, the poverty rate increases enormously among these families the less they work – from 26% where the parent works full-time, to 66% where he or she works part-time, to 90% where the parent does not work at all.

Two-parent couples with children under 18 also enter the ranks of the poor as their employment rate drops. The poverty rate for these families is 9% for full-time employment, 43% for part-time employment and 72% for no employment.

The poverty rate among all Alberta families with no employment in 1995 was 26%. Among unattached individuals with no employment, the rate was 53%.

Table 13: Households by Type, Annual Employment and Poverty Status, Alberta, 1996

| | Full-time Employment Number | | Part-time Employment Number | | No Employment Number | |
|---|-----------------------------------|---------|-----------------------------------|--------|-------------------------|--------|
| | Total | Poor | Total | Poor | Total | Poor |
| | Total: Economic Families | 528,040 | 46,860 | 91,110 | 34,930 | 96,240 |
| Couples with no children under 18 | 212,200 | 11,900 | 32,180 | 5,840 | 68,190 | 8,170 |
| Couples with children under 18 | 266,420 | 25,020 | 28,600 | 12,240 | 4,970 | 3,600 |
| Lone-parent families with children under 18 | 28,150 | 7,380 | 21,500 | 14,200 | 10,190 | 9,140 |
| All other families | 21,280 | 2,570 | 8,840 | 2,640 | 12,900 | 3,920 |
| Total: Unattached individuals | 131,510 | 26,360 | 96,950 | 49,370 | 102,600 | 54,070 |
| Male | 76,430 | 13,100 | 60,340 | 27,160 | 33,340 | 18,600 |
| Female | 55,080 | 13,260 | 36,610 | 22,220 | 69,260 | 35,470 |

Note: Full-time employment refers to 49 combined weeks of work in the paid labour force in 1995 by all household member. Part-time employment refers to less than this. No employment refers to no weeks of work in 1995.

| | % Poor | | |
|---|-------------------------|-------------------------|---------------|
| | Full-time Employment | Part-time Employment | No Employment |
| Total: Economic Families | 9 | 38 | 26 |
| Couples with no children under 18 | 6 | 18 | 12 |
| Couples with children under 18 | 9 | 43 | 72 |
| Lone-parent families with children under 18 | 26 | 66 | 90 |
| All other families | 12 | 30 | 30 |
| Total: Unattached individuals | 20 | 51 | 53 |
| Male | 17 | 45 | 56 |
| Female | 24 | 61 | 51 |

Distribution by Employment

The impact of employment on poverty is more pronounced in Table 14 which looks at the differences between full and part-time employment and no employment for selected communities. **The poverty rate ranges from 2% in Cold Lake to 10% in Edmonton among people working full-time during 1995.** It jumps to 12% in Cold Lake and 37% in Edmonton among people with no employment that year.

Table 14: Population Aged 15 years and Older by Annual Employment and Poverty Status for Canada, Alberta and Selected Alberta Communities, 1996

| | Full-time Employment | | | Part-time Employment | | | No Employment | | |
|-------------------|----------------------|-------------------|-----------|----------------------|-------------------|-----------|-----------------|-------------------|-----------|
| | Total Number | Number of Poor | % Poor | Total Number | Number of Poor | % Poor | Total Number | Number of Poor | % Poor |
| Canada | 7,578,420 | 486,640 | 6 | 7,264,510 | 1,342,135 | 18 | 7,431,410 | 2,340,900 | 32 |
| Alberta | 770,510 | 60,250 | 8 | 731,105 | 152,075 | 21 | 517,270 | 139,940 | 27 |
| Calgary | 238,770 | 19,900 | 8 | 213,060 | 52,275 | 24 | 146,680 | 45,790 | 31 |
| Edmonton | 170,230 | 16,520 | 10 | 169,455 | 48,395 | 28 | 141,140 | 52,680 | 37 |
| Strathcona County | 20,790 | 680 | 3 | 17,550 | 1,185 | 7 | 9,710 | 1,140 | 12 |
| Lethbridge | 16,530 | 1,100 | 7 | 17,680 | 4,185 | 24 | 15,350 | 3,650 | 24 |
| Red Deer | 15,690 | 1,080 | 7 | 18,205 | 4,335 | 24 | 11,170 | 3,030 | 27 |
| Medicine Hat | 11,810 | 1,010 | 9 | 13,170 | 2,750 | 21 | 11,620 | 2,420 | 21 |
| St. Albert | 15,610 | 650 | 4 | 12,735 | 1,550 | 12 | 6,950 | 1,170 | 17 |
| Wood Buffalo | 10,300 | 330 | 3 | 9,165 | 1,455 | 16 | 4,890 | 900 | 18 |
| Grande Prairie | 9,720 | 540 | 6 | 9,325 | 1,485 | 16 | 4,040 | 960 | 24 |
| Lloydminster | 5,080 | 260 | 5 | 5,410 | 795 | 15 | 3,300 | 810 | 24 |
| Airdrie | 4,920 | 180 | 4 | 3,795 | 410 | 11 | 2,280 | 350 | 15 |
| Spruce Grove | 4,210 | 180 | 4 | 4,180 | 380 | 9 | 2,230 | 260 | 11 |
| Leduc | 4,160 | 170 | 4 | 3,945 | 450 | 11 | 2,600 | 360 | 14 |
| Camrose | 3,080 | 210 | 7 | 3,630 | 685 | 19 | 3,710 | 660 | 18 |
| Ft Saskatchewan | 3,700 | 220 | 6 | 3,085 | 460 | 15 | 2,340 | 480 | 21 |
| Wetaskiwin | 2,800 | 250 | 9 | 2,605 | 705 | 27 | 2,810 | 700 | 25 |
| Drumheller | 1,750 | 50 | 3 | 1,550 | 245 | 16 | 1,260 | 210 | 16 |
| Cold Lake | 1,250 | 20 | 2 | 1,010 | 75 | 7 | 510 | 60 | 12 |

Full-time employment refers to 49 to 52 weeks of work a year. Part-time employment refers to work for a full or partial year.

A poor person is more likely to work part-time than full-time. On average, one in five poor Albertans works part-time, while fewer than one in ten has full time work. Again, the rates vary by location, with the highest rate of poverty among part-time workers being in Wetaskiwin and the lowest in Cold Lake and Strathcona County. What the table does not indicate is the number working more than one part-time job. Most people working part-time are not eligible for benefits such as a health or dental plan and Employment Insurance.

Distribution of "working poor"

Another way to learn about the distribution of poor families is by looking at the number of earners in a household. One would expect to find the rate of poverty decreasing as more people in a household work. This is not necessarily the case. When we compare households with no earners versus those with one and two earners, we find that, on average, the greatest number of poor come from households where there is one earner. This relationship holds true for all selected communities except Airdrie where there are slightly more poor among households with no earners. In other words, a single earner cannot necessarily keep a family above the poverty line. One reason for this is that a full-time income from a minimum wage position in Alberta will fall far short of the LICO. We will compare the sufficiency of earnings from different sources in a later section.

The number of poor households does decrease significantly when there are two earners compared to one. However, as Table 15 shows, in several municipalities the number of poor families with two-earners is higher than the number of poor families with no earners.

Table 15: Poor Families by Number of Earners for Canada, Alberta and Selected Alberta Communities, 1996

| | Number of Earners in Poor Families | | |
|-------------------|------------------------------------|------------|-------------|
| | No Earner | One Earner | Two Earners |
| Canada | 587,185 | 440,695 | 239,320 |
| Alberta | 31,555 | 44,530 | 30,515 |
| Calgary | 9,345 | 13,545 | 10,480 |
| Edmonton | 10,590 | 14,690 | 9,530 |
| Strathcona County | 325 | 490 | 270 |
| Lethbridge | 650 | 1,110 | 720 |
| Red Deer | 740 | 1,100 | 730 |
| Medicine Hat | 515 | 845 | 540 |
| St. Albert | 245 | 480 | 395 |
| Wood Buffalo | 220 | 550 | 200 |
| Grande Prairie | 180 | 415 | 240 |
| Lloydminster | 295 | 310 | 125 |
| Airdrie | 145 | 140 | 80 |
| Spruce Grove | 55 | 125 | 105 |
| Leduc | 90 | 155 | 120 |
| Camrose | 120 | 175 | 110 |
| Fort Saskatchewan | 100 | 185 | 110 |
| Wetaskiwin | 150 | 230 | 135 |
| Drumheller | 25 | 80 | 45 |
| Cold Lake | 25 | 10 | 25 |

Average Family Income

Income includes earned income, investment income and government transfer payments such as Canada Pension or Employment Insurance. **In 1996, the average family income in Alberta was \$58,320. The average income for a poor family was \$14,540.** The average income was higher among elderly poor families than among young poor families, which would appear to reflect the fact that earners among the poor are on minimum or low wages. (It may also reflect OAS/GIS rates that are higher than the rates for Supports for Independence.)

Income from government transfers among poor elderly was considerably lower than among all families. The likelihood is that, among the elderly poor, are women who have never worked and so do not qualify for pension. Their transfer payments come from Old Age Security and Guaranteed Income Supplement. Table 16 shows the incomes.

The average income for the poor in Alberta (\$14,540) is lower than most of the LICO rates for 1995. Only a single person living in a city with a population of 499,000 or less would be above the poverty line on this income. Any other household on this income would be living in poverty.

Table 16: Average Family Income by Age Group and Income Source for Alberta, 1996

| | <u>All Families (\$)</u> | <u>Poor Families (\$)</u> |
|-------------------------------|--------------------------|---------------------------|
| All economic families | | |
| Average total income | 58,320 | 14,540 |
| Average earnings | 51,280 | 10,370 |
| Average government transfers | 6,420 | 6,010 |
| Non-elderly economic families | | |
| Average total income | 60,180 | 14,400 |
| Average earnings | 52,790 | 10,480 |
| Average government transfers | 4,250 | 5,430 |
| Elderly economic families | | |
| Average total income | 47,140 | 16,270 |
| Average earnings | 29,650 | 7,120 |
| Average government transfers | 17,610 | 13,080 |

What is the depth of the poverty?

How many people are living in dire poverty? One way to examine the depth of poverty is to consider how many families live on incomes at or below one half of the LICO rates shown in Table 17.

Table 17: Half of the Low Income Cut Off Rate for 1995

| Household Size | Size of Area of Residence | | | | Rural Areas |
|----------------|---------------------------|--------------------|------------------|-------------------|-------------|
| | Urban Area by Population | | | | |
| | 500,000 and over | 100,000 to 499,999 | 30,000 to 99,999 | Less than 30,000* | |
| | \$ | \$ | \$ | \$ | \$ |
| 1 person | 8,437 | 7,236 | 7,186 | 6,686 | 5,830 |
| 2 persons | 10,546 | 9,045 | 8,982 | 8,358 | 7,288 |
| 3 persons | 13,116 | 11,250 | 11,171 | 10,395 | 9,064 |
| 4 persons | 15,876 | 13,617 | 13,523 | 12,583 | 10,972 |
| 5 persons | 17,747 | 15,112 | 15,115 | 14,065 | 12,265 |
| 6 persons | 19,618 | 16,827 | 16,710 | 15,548 | 13,558 |
| 7+ persons | 21,489 | 18,432 | 18,303 | 17,030 | 14,851 |

* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000)

Table 18 shows the number of economic families living below the LICO and the percentage of those living on these extremely low incomes within the selected communities. Over one-third of all Alberta's poor families, or **38,620 families, live on incomes that are one-half of the LICO or less.** There is considerable variation around the provincial rate of 36%.

Cold Lake has the largest percentage of very low incomes, despite having the smallest number of poor families. So, although few poor families live in Cold Lake, over half of the ones who do are extremely poor. Wood Buffalo, Lloydminster and Drumheller also have relatively higher rates of extreme poverty. **These findings tend to refute the general impression that extreme poverty only occurs in the largest cities.**

Table 18: Economic Families by Incomes Equal to One-half of LICO and Below for Canada, Alberta and Selected Alberta Communities, 1996

| | Total Poor Economic Families | Income = .50% of LICO or Less | |
|-------------------|------------------------------|-------------------------------|----|
| | | Families | % |
| Canada | 1,267,205 | 451,295 | 36 |
| Alberta | 106,605 | 38,620 | 36 |
| Calgary | 33,375 | 12,010 | 36 |
| Edmonton | 34,810 | 13,180 | 38 |
| Strathcona County | 1,085 | 325 | 30 |
| Lethbridge | 2,475 | 835 | 34 |
| Red Deer | 2,575 | 910 | 35 |
| Medicine Hat | 1,900 | 505 | 26 |
| St. Albert | 1,120 | 360 | 32 |
| Wood Buffalo | 970 | 490 | 50 |
| Grande Prairie | 835 | 300 | 36 |
| Lloydminster | 735 | 305 | 41 |
| Airdrie | 365 | 110 | 30 |
| Spruce Grove | 285 | 85 | 30 |
| Leduc | 370 | 145 | 39 |
| Camrose | 405 | 125 | 31 |
| Fort Saskatchewan | 405 | 130 | 32 |
| Wetaskiwin | 520 | 135 | 26 |
| Drumheller | 150 | 60 | 40 |
| Cold Lake | 60 | 35 | 58 |

How do the poor live?

Being poor means making choices. Difficult choices, because the money is rarely enough to meet daily needs. Saving is out of the question. But, like everyone else, the poor have unexpected expenses. How do you cope when a tooth abscesses or the furnace breaks down and every penny is spoken for? The only flexibility is in expenses for food, and parents report going hungry themselves to feed their children.

Exactly how much do poor families earn, and what is the source of their income? Table 19 compares the annual income from two sources for a single parent with two children ages three and seven. One source is Supports for Independence. The second is a 37-hour week job on Alberta's minimum wage. All rates shown are current.

Table 19: A Comparison of Income from Supports for Independence and from Full-time Employment on Alberta's Minimum Wage for a Three-person Household, January 2000

| Single Parent with Two Children ages 3 and 7 | | | |
|--|-----------------|---|-----------------|
| Income from Supports for Independence | | Income from Minimum Wage for One Person | |
| Standard Allowance | \$ 5,196 | Wages (\$5.90/hr, 37 hour week) | \$11,352 |
| Shelter Allowance | \$ 6,036 | Child Benefit | \$ 1,939 |
| GST Rebate | \$ 598 | Supplementary Child Benefit | \$ 1,010 |
| | | Alberta Family Employment Benefit | \$ 332 |
| | | GST Rebate | \$ 537 |
| Total | \$11,852 | Total | \$15,220 |

Using unpublished materials provided by the Edmonton Social Planning Council.

The 1995 LICO for a three-person household living in a small urban centre is \$20,790 – considerably more than either the SFI income or the minimum wage income above. And the LICO rate becomes higher for larger centres. In other words, a family of three with either above income would be living well below what Statistics Canada calls "straitened circumstances" – well below the poverty line. In fact, based on the LICO guidelines, **a household of any size living on the SFI income in any urban area would be in straitened circumstances.**

Only when we get into the very deepest poverty levels, one-half of the LICO, do these incomes begin to appear on the tables. The earned income is higher than half of the LICO for a three-person household in all centres, but the SFI income still falls below half of the LICO for a centre the size of Edmonton or Calgary.

Necessities of life make it impossible to exist on the earned income. For example, in order to work, the single parent would need child care, which would be unaffordable unless provided free by a family member or friend. And, after paying rent and utilities (shelter costs), which for the poor in Alberta averages \$555, the family would be left with \$713.33 a month for food and all other expenses. Shelter costs in some cities will be higher than this average.

Table 20 outlines income from SFI and employment for a four-person household comprised of two adults and two children ages three and seven. In this example, both adults earn a minimum wage.

A family on this SFI income fares the same as the earlier one. **The SFI income falls below the LICO for a four-person household for any urban centre.** It also falls below half of the LICO for a centre the size of Edmonton or Calgary. A two-parent family on SFI would be in the same dire straits as the lone-parent family.

Table 20: A Comparison of Income from Supports for Independence and from Full-time Employment on Alberta's Minimum Wage for a Four-person Household, January 2000

| Two Parents with Two Children ages 3 and 7 | | | |
|--|-----------------|---|-----------------|
| Income from Supports for Independence | | Income from Minimum Wage for Two People | |
| Standard Allowance | \$ 7,308 | Wages (\$5.90/hr, 37 hour week) | \$22,704 |
| Shelter Allowance | \$ 6,288 | Child Benefit | \$ 1,939 |
| GST Rebate | \$ 608 | Supplementary Child Benefit | \$ 935 |
| | | Alberta Family Employment Benefit | \$ 1,000 |
| | | GST Rebate | \$ 608 |
| Total | \$14,204 | Total | \$27,186 |

Using unpublished materials provided by the Edmonton Social Planning Council.

The earned income above is marginally over the lowest LICOs for a four-person household. In other words, despite both parents working full-time, because they earn the minimum wage in Alberta, the family's income remains below the poverty line if they live in any city larger than 100,000.

With both parents working, the same need for child care arises. In order to earn the income above, unless the parents worked alternate shifts, they would expect to pay about \$425 a month for care for the three year old. After-school care for the eight year old might be available through school. If not, this is an additional cost. As might be expected, low income parents tend to use cheaper child care, and that is usually of a lower quality. Ironically, although poor families are just the ones to benefit most from quality child care, that care is well beyond their means.

Spending on Shelter Costs

Banks and organizations such as Canada Mortgage and Housing Corporation have guidelines to help families budget. Families are advised to spend only one-third of their income on shelter. For renters, shelter costs include rent, utilities and parking fees. For mortgage holders, shelter costs include mortgage payments, property taxes, utilities and condominium fees.

Based on these guidelines, the single-parent earner family cited above would allocate \$403 a month towards shelter. The two-parent earning family would allocate \$716 a month. However, **the average shelter cost for the poor in Alberta is \$555, which amounts to 44% of the single parent's income.**

Table 21 is in two parts. The first provides a break-down of owners and renters in the province and the percentage of poor. The second shows average shelter costs and the percentage of families spending more than 30 percent of their income on these costs.

As would be expected, the first part of the table indicates that poor people are more likely to rent, and 36% of all renters in the province are poor. Eight percent of owners who have a mortgage are also poor. We can speculate that their circumstances have changed since qualifying for a mortgage. Another 8% of owners without a mortgage are poor. It seems likely that these are seniors living on a low pension or other government payments such as Old Age Security or Guaranteed Income Supplement.

Table 21: Economic Families by Housing Tenure, showing Monthly and Annual Shelter Costs and Percent Spending more than 30% of Annual Income on Shelter Costs, Alberta 1996

| | Number of Families | | | % Spending > 30% of Annual Income on Shelter Costs | |
|-----------------------|--------------------|---------|--------|--|---------------|
| | Total | Poor | % Poor | Total Families | Poor Families |
| Total | 678,780 | 102,160 | 15 | | |
| Own, with mortgage | 307,040 | 25,500 | 8 | | |
| Own, without mortgage | 203,430 | 16,870 | 8 | | |
| Rent | 168,310 | 59,790 | 36 | | |

| | Average Monthly Shelter Costs (\$) | | Average Annual Shelter Costs (\$) | | % Spending > 30% of Annual Income on Shelter Costs | |
|-----------------------|------------------------------------|---------------|-----------------------------------|---------------|--|---------------|
| | Total Families | Poor Families | Total Families | Poor Families | Total Families | Poor Families |
| Own, with mortgage | 1,093 | 947 | 13,118 | 11,359 | 21 | 88 |
| Own, without mortgage | 314 | 285 | 3,763 | 3,425 | 3 | 30 |
| Rent | 601 | 556 | 7,217 | 6,664 | 32 | 73 |

Table 21 also shows the average shelter costs described earlier. Renters pay proportionately more of their income on shelter than do home owners. About one in three of all families spends more than 30% of its income on shelter. That number jumps to almost three out of four among poor families. Depending on housing costs and availability, this outlay is expected to vary considerably by location.

Is the situation changing?

Is the number of poor increasing or decreasing? One way to find out is to compare poverty rates for the two most recent national census years, 1991 and 1996.

As Table 22 indicates, there was a steady but gradual increase in the number of poor families between 1991 and 1996, with the average increase being 1.0%. Wetaskiwin, St. Albert and Fort Saskatchewan registered the greatest increases of 3.2%, 2.7% and 2.7% respectively.

Two municipalities saw decreases in the number of poor families. There was a 2.0% drop in numbers in Cold Lake and a 1.5% drop in Grande Prairie.

Table 22: Number and Incidence of Poor Families, 1996 with Percent Change between 1991 and 1996 for Canada, Alberta and Selected Alberta Communities

| | Poor Families | | % Change |
|-------------------|---------------|------|-----------|
| | Number | % | 1991-1996 |
| Canada | 1,267,205 | 16.3 | 3.1 |
| Alberta | 106,605 | 14.9 | 1.0 |
| Calgary | 33,375 | 16.3 | 1.7 |
| Edmonton | 34,815 | 21.3 | 2.0 |
| Strathcona County | 1,085 | 6.0 | 1.5 |
| Lethbridge | 2,475 | 14.2 | 1.4 |
| Red Deer | 2,575 | 16.1 | 1.8 |
| Medicine Hat | 1,900 | 14.3 | 0.6 |
| St. Albert | 1,125 | 8.5 | 2.7 |
| Wood Buffalo | 1,085 | 11.4 | n/a |
| Grande Prairie | 835 | 10.2 | -1.5 |
| Lloydminster | 315 | 10.2 | 0.2 |
| Airdrie | 365 | 8.6 | 1.6 |
| Spruce Grove | 285 | 7.1 | 0.4 |
| Leduc | 365 | 9.1 | 0.5 |
| Camrose | 405 | 10.9 | 0.4 |
| Fort Saskatchewan | 405 | 11.9 | 2.7 |
| Wetaskiwin | 515 | 17.9 | 3.2 |
| Drumheller | 150 | 9.3 | 0.7 |
| Cold Lake | 60 | 5.5 | -2.0 |

Complete census data for 1991 and 1996 is also available by neighbourhood for four cities: Edmonton, Calgary, Lethbridge and Red Deer. The total is 380 neighbourhoods. Using the Low Income Cut-off to measure the incidence of poverty, we found that **between 1991 and 1996 the rate of poverty increased in 288, or three-quarters, of the neighbourhoods.** We then counted the number of neighbourhoods where at least 30% of families were living in poverty. In 1991, there were 33 such neighbourhoods. In 1996, there were 43. **Clearly, poverty is increasing.**

Where is the incidence of poverty the highest? Of the 43 neighbourhoods where 30% or more families live under the LICO, 25 are in Edmonton, 16 are in Calgary and two are in Red Deer.

What do we know about these families? We then looked at these neighbourhoods using three factors typically associated with poverty: lone-parent status, low level of education, and employment status. We found that, on average, in those neighbourhoods having a higher rate of poverty, about one in four families is a lone-parent family. The percentage ranges from 20.2% in Calgary to 28.9% in Red Deer. Moreover, across all neighbourhoods, as the incidence of poverty increases so does the frequency of lone-parent families.

A similar pattern occurs with education. Among the neighbourhoods with a high poverty rate, 12.5% of individuals have less than a high school education. In the other neighbourhoods, 5.5% of individuals have this level of education. Again, as the incidence of poverty increases so does the frequency of low education.

The third factor is employment status. Not surprisingly, in 1996, unemployment was higher in the neighbourhoods with high rates of poverty. The average unemployment rate for poor neighbourhoods was 8.0% compared with 5.1% for other neighbourhoods. However, what is surprising is the rate of poverty among those who work full-time. In those neighbourhoods with a high concentration of poor, approximately one in three of the families was working full-time during 1996. The full-time employment rate among poor neighbourhoods ranged from 24.9% in Red Deer to 32.9% in Calgary. In fact, on average, the full-time employment rate among the poor (29.9%) is only eight percentage points lower than the rate among all families (38.6%). What this tells us is that, in Alberta, **having a full-time job is no safeguard against being poor.**

What can we do about poverty?

It is possible for individuals to do something about alleviating the effect of poverty. However, we can be more effective working together. But, it is **only through our collective will that we can address the factors common to poverty** mentioned many times in this paper. In choosing any action, we must recognize the difference between short-term measures – that meet an immediate need such as for food or clothing – and activities that will reduce the level of poverty permanently. Long-term impacts can only flow from strategies or policies with one of two objectives. The first is to increase the income of families, for example by raising the minimum wage or the Supports For Independence rate or by reducing tax levels. The second is to increase families' earning power by improving education, helping families stay together, or by reducing their expenditures on shelter through social housing.

The following is a list of strategies.

- **Learn more about poverty in your municipality.** Conduct studies, surveys and interviews to determine issues or causes, identify specific cases and hear personal stories. Use this information to develop solutions. Share your findings and observations with other municipalities and governments.
- **Increase awareness of poverty, its causes and its impacts.** Use pamphlets, newspaper articles discussion groups and other methods to raise awareness among business, service clubs, churches, community groups and the public. Use studies, forums, and position papers to raise the awareness of elected officials. Ask an elected representatives to spend a day meeting users of a foodbank or community agency.
- **Review user-pay policies with a view to increasing access based on low-income.** Introduce mechanisms whereby programs and services related to recreation, leisure, family counselling, library use, transportation, child care and out-of-school care can be made accessible to the poor sensitively and without the fear of stigmatization.

- **Continue to work with the provincial government on policies affecting the poor.** Encourage social housing policies and policies that assist working families such as by allowing a combination of SFI and income.

The 18 municipalities or non-profit agencies within their communities have introduced a number of measures to increase awareness or address the immediate needs of the poor. Examples include:

- A pamphlet using graphs, clip art and text to outline average monthly costs of a family of four versus sources of income and raise questions about the choices the poor face. (Community and Social Development, City of Calgary)
- A study of poverty based on interviews with repeat foodbank users and describing their characteristics (age, education, gender, employment status) and reasons for having to turn to foodbanks. (South Peace Social Planning Council)
- Free hot meals offered by a church (Fort Saskatchewan)
- An issues identification session involving community agencies dealing with clients in poverty and members of the public living in poverty. Information was gathered and a report produced. A second session was held to work on solutions (Red Deer Community Services Network)
- Low rental housing and a special needs transportation system for seniors and persons with disabilities (Drumheller Community Services)

Conclusion

Having examined census data for the 18 municipalities, we have found that poverty does exist in Alberta and that it is not confined to Edmonton and Calgary nor to the unemployed. In fact almost 30% of all poor people in Alberta are among the "working poor." By breaking down the factors associated with poverty and by identifying their incidence across the 18 municipalities, the paper contributes considerably to our understanding of poverty. It is anticipated that municipalities have learned more about the incidence of poverty in their jurisdiction and with this knowledge are better equipped to address their specific problems.

We can also start to see where greater co-operation will be needed to reduce poverty. Although it may be difficult to curb the incidence of single-parent families, we can fund programs that provide them support. Similarly, while we cannot prevent the occurrence of disabilities, we can encourage companies to review their employment practices for systemic barriers. Importantly, there are things over which we can have direct control. Our federal, provincial and municipal policies relating to social housing, education, minimum wage and benefit programs all have a direct bearing on the incidence of poverty. It takes only will and ingenuity to change them.