

1986

MAY

# ALBERTA FACTS

## NUMBER 1

### Poverty in our Province - *Telling it like it is*

Published by the Edmonton Social Planning Council.

#### Poverty means...

You were laid off almost a year ago and your unemployment insurance is running out. You are already 55 years old and nobody is interested in training you for another kind of work. You've lost self-respect because you can't support your family as you once did. Your friends have dropped away one by one. You feel that you are caught in a situation you can do nothing about.

You are under 25, and married with one child. The only job you can get pays \$5/hour. After paying the basic expenses of food, rent, transportation, etc., you have \$8 left to cover clothes, prescriptions, dental care, entertainment, and the many other expenses that always seem to come up. You feel frustrated because you have a job and work hard but you are basically living from paycheque to paycheque, using your next cheque to pay off last month's bills.

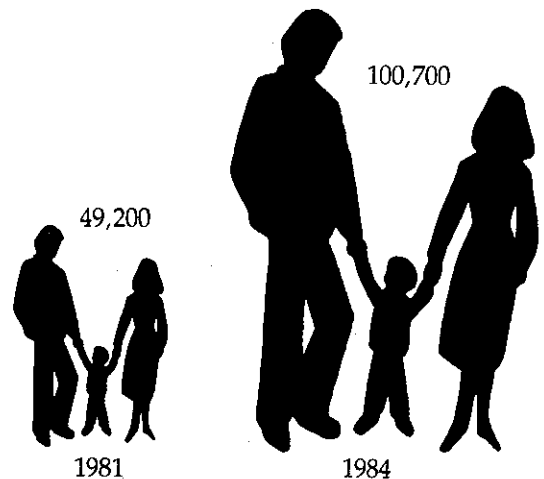
By now you have the general idea. Coping with a low income over a prolonged period is more than living a scaled down version of middle class life. Being poor includes the helplessness of having no source of income other than welfare. It includes the frustration of not being able to provide for your family. It includes the hopelessness of not having any expectation of getting out of your present circumstances. Once you are poor there are so many things against you that you usually stay poor.

Poverty is related to the ability to live as other people live in your community - to have a regular income, to feel secure, and to have hopes and aspirations for the future.

#### Measuring Poverty

Although income is not the best measure of poverty, it is the most commonly used. In a rough way it allows us to measure the number of poor and changes in these numbers. The Statistics Canada low income cut-offs are the most widely used Canadian poverty lines.

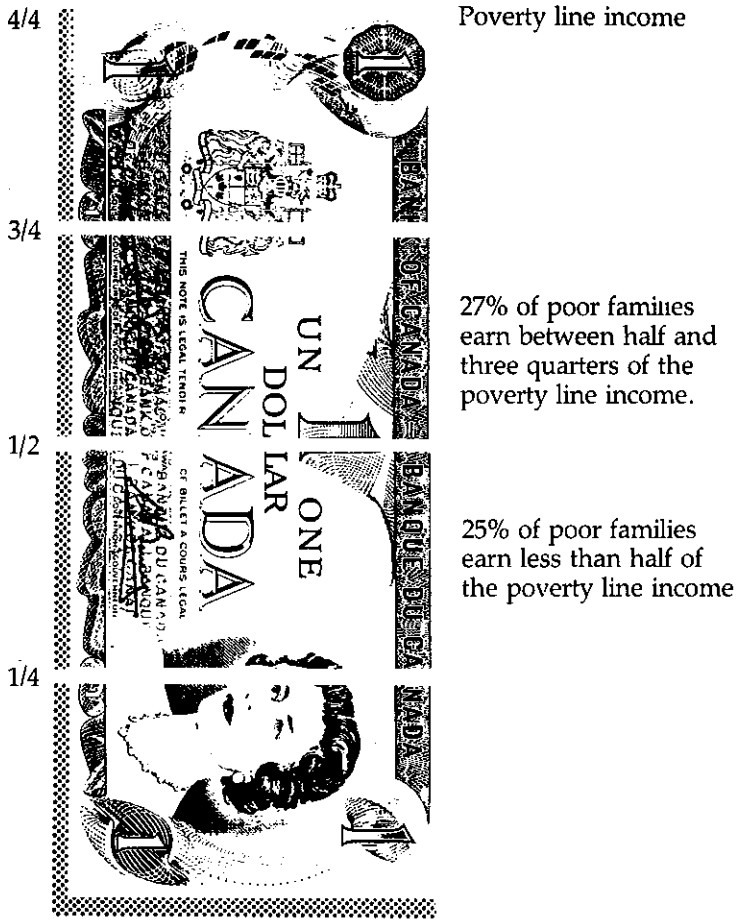
#### Family Poverty Doubles in Alberta



Source: *Poverty in Alberta*, National Council of Welfare, news release, October 1985.

While it may be possible to get by on a poverty line income, more than half of the Alberta families in poverty earned less than three quarters of the poverty line income. This was at the beginning of the recession. The situation is likely worse today.

**Many Alberta family incomes are well below the poverty line.**



Source: Presentation to the 1986 Annual Conference of the Alberta Association of Social Workers, March 7, 1986. Paper written by Ken Battle, National Council of Welfare.

**Who is poor?**

It has been estimated that about 4.1 million Canadians are presently living in poverty. One family in seven lives in poverty. As Albertans we pride ourselves in living in one of Canada's richest provinces, yet family poverty doubled in Alberta between 1981 and 1984 to 100,700 families. One in six Alberta families lives in poverty. An estimated 89,400 unattached Albertans (those who live alone or with non-relatives) live in poverty. If you multiplied the population of Red Deer by six, this number would still not equal the number of poor people in Alberta.

Most people find these facts shocking. Our feeling is likely to be that we have "a few poor people" but not enough to be overly concerned about. As we have seen, poverty in Canada and in Alberta is a serious problem.

**WHO IS MOST LIKELY TO BE POOR IN CANADA?**

Minimum wage earner	All
Unemployed person (with no outside income)	All
Single parent family headed by a female	1 in 2
Young families (family head under 25)	1 in 3
Social allowance recipient (with no outside income)	All
Elderly unattached (over 65)	11 in 20

Source: *Poverty on the Increase*, National Council on Welfare, March 1985.

**The Unemployed**

Unemployment is the leading cause of poverty today. Contrary to common belief that mainly young people are being laid off, all age groups are affected. Young people (15-24 years) make up more than one third of the unemployed. They are typically the first to be hired and the first to be laid off. The 25-44 age group accounts for almost half of the unemployed. People in this age group are likely to be raising a family. Older unemployed workers will have a difficult time finding suitable work since employers consider them "too old."

Edmonton had more unemployed workers in March 1986 (48,000) than there were unemployed in all of Alberta in 1980 (42,000).

**Number of Unemployed Albertans by Age Group, March 1986**

Age Group	Number
15-19	23,000
20-24	25,000
25-44	60,000
45-54	13,000
55-64	8,000

Source: *The Labour Force*, Statistics Canada.

## The Working Poor

A common myth about the poor is that they don't work. The latest figures available show that 57.8% of Canadian poor families have members who work. They are poor in spite of working. In 1982, the latest year for which these statistics are available, there were 154,500 working poor in Alberta. It should be kept in mind that 1982 was the beginning of the recession. Since then, the economy has worsened.

How can it be that people work and are still poor? The minimum wage rate set by the Alberta government is \$3.80 per hour for those over eighteen. This wage would put a single person more than \$2,000 below the poverty line. A working mother earning the minimum wage and supporting one child is more than \$5,500 below the poverty line.

Imagine the extreme difficulties encountered by a family of four, whose sole income is from the minimum wage salary - they would be more than \$12,000 below the poverty line! How does a family survive on such an income? How could they cope with an emergency, such as a sick child who needs an expensive prescription?

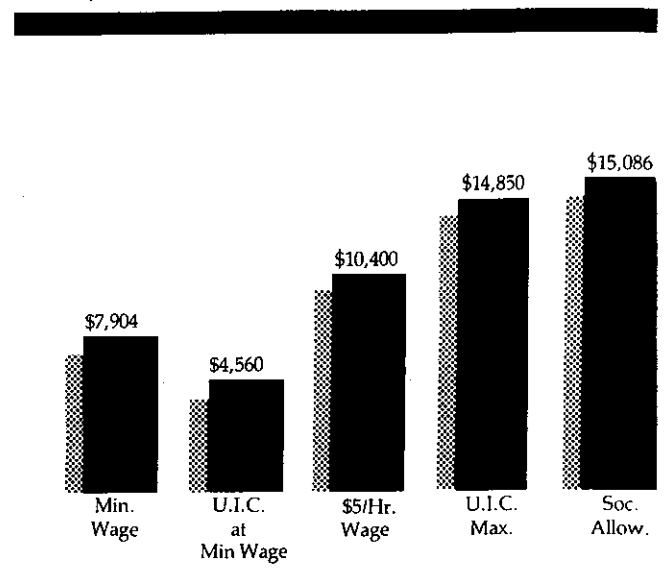
### Help for the poor?

People generally assume that governments do more than enough to help the poor. The federal government provides unemployment insurance to help those who are unemployed. The Alberta government passes laws to ensure that workers receive a basic wage and also provides welfare to ensure that peoples' basic needs are being met.

This social safety net is inadequate. A worker employed for the minimum wage and supporting a wife and two children will be more than \$12,000 below the poverty line. If that worker was suddenly laid off and collected unemployment insurance, his family would fall more than \$15,000 under the poverty line! After 50 weeks, the unemployed worker would be able to get welfare. His family would still be \$5,000 below the poverty line.

## The Poverty Gap For a family of 4

Poverty Line \$20,020



### The Poor Get Poorer...

The poorest 20% of Canada's families earned only 5.9 percent of total family income in 1984. The richest 20% of families, by contrast, earned 40.1 percent of total family income - seven times the poor group's share.

The gap between the rich and the poor is getting wider. Since 1981, families in the bottom 20% of the population in terms of income earned, have received a steadily declining share of income. At the same time the highest income families (the top 20% in terms of income) have seen their share increase. The table below shows that the recession has cost the poor more than the rich.

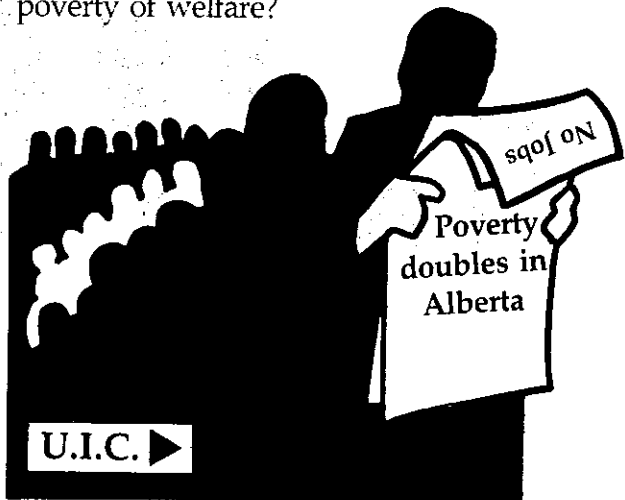
### The Rich Get Richer Constant (1984) Dollars

Average Income	1981	1984
Bottom 20% of families	\$11,913	\$10,577
Richest 20% of families	\$71,478	\$71,885

Source: *Poverty Profile 1985* A report by the National Council of Welfare. October 1985.

## We all have a stake

We live in a rich province in a prosperous country and yet there are poor people. Nobody wants to be poor. But getting out of poverty is a task that is beyond the capabilities of individuals to solve by themselves. Where is the unemployed 55 year old worker going to find a job? How is the 25 year old, married with a young child supposed to live on a \$5 per hour wage? What hope is there for the single parent mother to escape from the enforced poverty of welfare?



*"The governments in this country are doing too much as it is. I don't know what else we can do."*

Neil Webber - Alberta Government cabinet minister.  
Edmonton Journal Oct. 24, 1985

Poverty is a social problem, not an individual problem. The poverty problem can be resolved. It's a matter of government taking a leadership role and making the elimination of poverty a high priority.

Some suggestions for action.

1. Learn more about the issue of poverty.
2. When you read or hear stories about the experiences of poor people, think about what they are saying. They feel poverty firsthand.
3. Our elected representatives respond to matters that we voters bring to their attention. If you think the problems of the poor deserve attention, let your M.L.A. and M.P. know how you feel.
4. Ask others to write their M.L.A. and M.P.
5. Write a letter to the editor of your local paper.
6. Invite a resource person who is familiar with this issue to speak to your group.
7. Pass on this factsheet to someone else to read.

This factsheet is first in a series of four factsheets on poverty. We gratefully acknowledge the financial support given by P.L.U.R.A., an inter-church association to promote social justice in Canada. Contents may not be commercially reproduced; reproduction for other uses is encouraged. This factsheet is available for bulk distribution at 10¢/copy or \$9/100.

For more information on this and other factsheets, please contact:

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