

Poverty

Alberta GPI

Noteworthy:

- In 2003, an estimated 10.1% of families (with two or more children), 38.4% of unattached individuals, and 19.8% of all Albertans lived below the LICO.
- Between 1961 and 2003, the level of poverty (as measured by percent living below LICO) increased by an estimated 17%.
- In 2003, Edmonton's Food Bank use was 57% higher than in 1990.
- The impacts of poverty are greatest on children.
- Statistics on homelessness are difficult to come by and are only now being compiled by Statistics Canada.
- Statistics Canada data released in 2002 estimated that 14,000 people were homeless in 2001. However, the measure of homelessness used by Statistics Canada in that study was the number of people in shelters. By definition, this would clearly only capture a fraction of the homeless population in Canada.

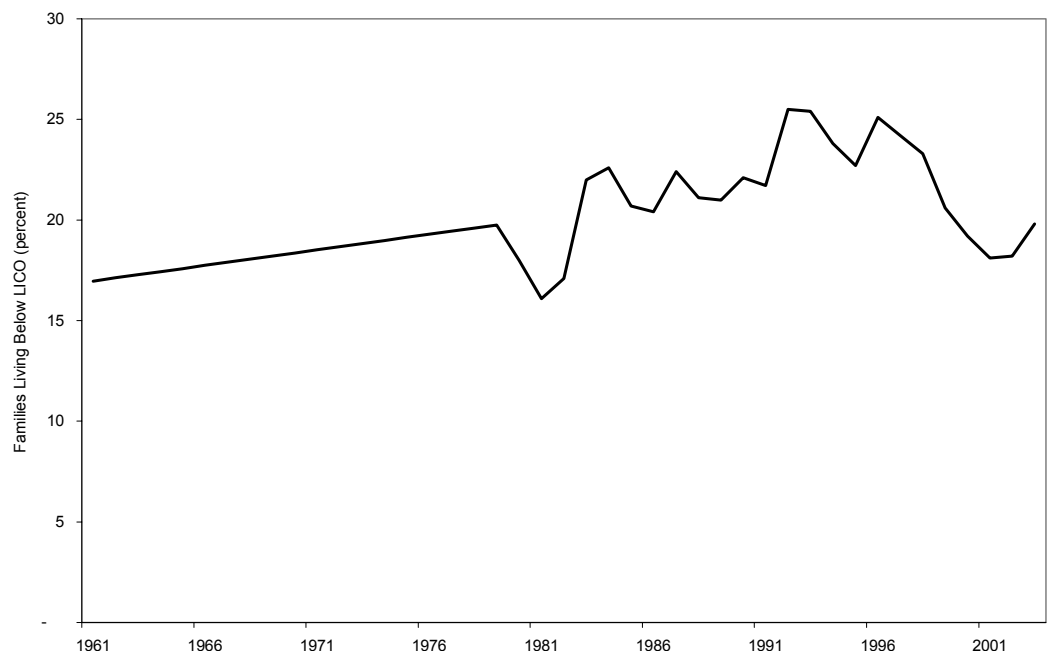
Poverty in Alberta: How Much?

While there is no commonly agreed upon definition of poverty, the U.N. *Human Development Report* for 1997 describes poverty in this way: “[P]overty can involve not only the lack of opportunity of the necessities of material well-being, but the denial of opportunities for living a tolerable life. Life can be prematurely shortened. It can be made difficult, painful and hazardous. It can be deprived of knowledge and communication. And it can be robbed of dignity,

confidence and self-respect—as well as the respect of others.” In this study, we measure poverty as the percent of families living below Statistics Canada’s Low Income Cut-off (LICO). In 1961, an estimated 17% of Albertans were living below the LICO. The rate of poverty rose to 22.6% in 1984 during the height of Alberta’s oil and gas boom. The collapse of oil prices in 1985-1986 saw poverty decline slightly to 20.4%.

In 1992, poverty reached an all-time high of 25.5% of Albertans. In 2003, 19.8% of Albertans were living below the LICO. Another sign of poverty is the presence and use of food banks. Calgary food banks handed out 51,820 food hampers in 2003, up from 28,097 hampers in 1992. Edmonton food banks serviced 12,832 people per month in 2003, compared with 8,170 people per month in 1990.

Poverty (Percentage of families living below LICO), 1961 to 2003



Source: Data for 1980 to 2003 from Statistics Canada CANSIM matrix 202-0804 (other years derived through extrapolation).

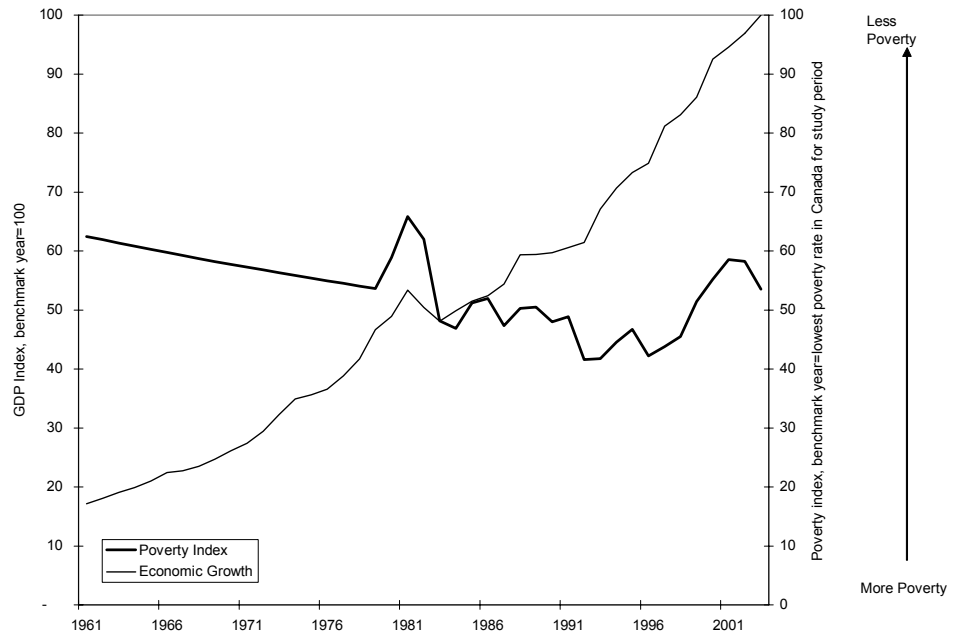
So What?

High levels of poverty—like high levels of income inequality—erode societal well-being and increase individual health costs. While we cannot place an economic price on the impacts of poverty, we can assess the trends (see figures). Poverty rates, measured in traditional ways, remained relatively stagnant through the 1990s and Alberta's rates are among the lowest in Canada. Yet poverty exists. A "living wage" should be considered a prerequisite for a healthy, sustainable and equitable society. Such a wage would meet all basic needs and allow an individual or household to participate in the community.

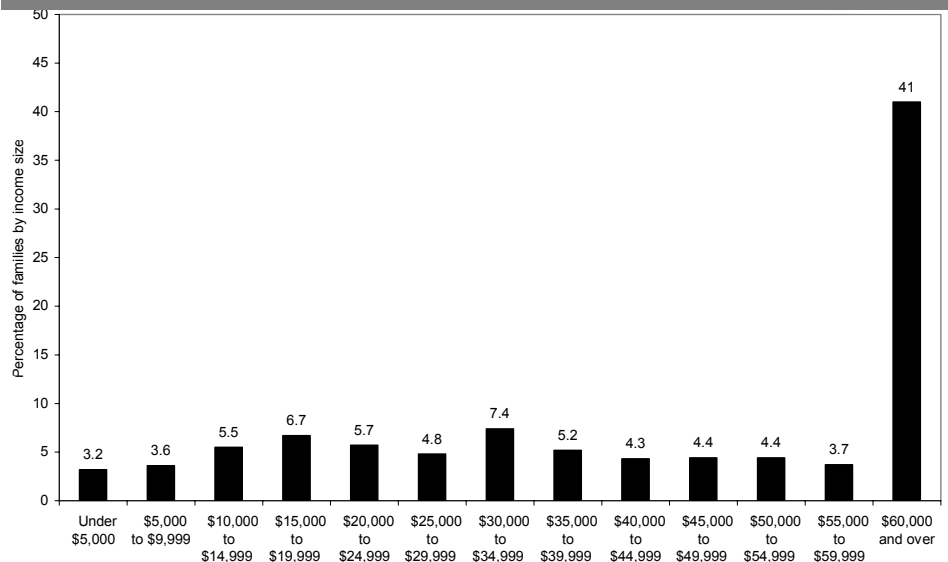
In 1999, we estimated that a living wage for a household of two adults and two children would be roughly \$24,332 per annum (about \$11.70 per hour). Further, we estimate that roughly 17.2% of Alberta households live at or below this living wage threshold.

Assessing the cost of healthy and sustainable living is a critical piece of sustainable well-being accounting. If the cost of healthy living can approximate the cost of sustainable living (that is, living with an ecological footprint that is in line with the earth's carrying capacity), then we would have a powerful tool for determining how public policy might help shape future living wage policies. Ultimately such a tool will help move society toward living sustainably, with a reduced ecological footprint and the ability to meet basic needs while participating fully in the community at the same time.

Poverty Index: Where are we today?



The Distribution of Incomes by Type, Alberta 2003



Source: Statistics Canada, CANSIM Table 202-0401

There is no price tag or cost attached to poverty *per se* in the GPI income statement.

As an index, poverty in Alberta in 2003 ranked 53 on a scale where 100 is set equal to the lowest level of poverty recorded between 1961 to 2003 (see figure above).

