

British Columbia Poverty Progress Profile

OVERVIEW

After years of being known as the province with the worst poverty rates in the country, British Columbia remains one of only two provinces without a provincial poverty plan. The overall poverty rate in BC in 2011 was 15.6% (based on LICO, before tax), ¹ the highest in Canada, while the child poverty rate for that year also remained the highest in the country at 18.6% using the same measurement. Female-led single parent families suffered the most from 2010 to 2011, where poverty rates increased from 20.1 percent to 49.8 percent. This is despite the pilot poverty project the provincial government initiated meant to assist 10-15 families in seven cities. No official results have been published, but the overall poverty numbers, social assistance rates, food bank lines and breakfast programs tell a particular story of widespread poverty. The continued approach by government is to emphasize its job-creation plan and targeted community initiatives as the appropriate response to poverty in the province.

Action on the Ground

The B.C. government has chosen to address poverty through targeted initiatives in select communities through the Pilot Poverty Initiative as opposed to a province-wide strategy. Organizations on the ground continue to challenge this approach, while some cities are responding individually to assist the low-income population.

Pilot Poverty Initiative

In April 2012, the BC government announced it would be choosing seven municipalities to participate in a pilot community poverty reduction initiative, assisting 10-15 families in each community. The regions were selected to represent a mix of metro, urban, rural and remote communities. The initiative was meant to use existing resources and was guided by town hall meetings and interviews with low-income families. Ministry consultants were tasked with the development of action plans to address families living in poverty with measurable targets in partnership with local governments, business and community organizations⁵.

There was no funding allocated to the initiative, and the government stated that they want to hear more about the needs of poor families in these communities before financially supporting a specific course of action. Implementation was scheduled for September 2012, a progress report was to be released in December 2012, and the government also expressed hope to extend the project to 20 more communities by the end of 2012. However, as of December 2013 there has not been an update on the initiative from the government.

City of Surrey Poverty Reduction Plan:

About one in five Surrey residents live in poverty. The City of Surrey has taken the initiative to implement a comprehensive poverty reduction plan which came into effect July 2012. The plan has prioritized four policy areas: transportation, housing, income and support. In July 2013 a Master Plan developed in partnership with BC Housing and Fraser Health was adopted in response to identifying long-term housing and support services for those who are homeless or at-risk of becoming homeless and focuses on best practices and determining housing gaps and service gaps. The Plan targets individuals with mental health and substance abuse issues, women, youth and Aboriginal people. The poverty plan calls for improving income assistance, disability benefits, minimum wage, child and family benefits and employment programs for Aboriginal people. Other areas of focus include education, government advocacy, promoting healthy children, and building inclusive communities. 10

Poverty Reduction Coalition

The BC Poverty Reduction Coalition (PRC) includes community and non-profit groups, faith groups, health organizations, First Nations and Aboriginal organizations, businesses, labour organizations, and social policy groups. The PRC was established in 2009 and since has had more than 375 organizations and community leaders join their call for BC to develop a strategic poverty reduction plan with legislated targets and timelines. The proposed plan can be found on the <u>PRC website</u>.

In 2012/13 the Coalition focused on: endorsing and raising public awareness of the "\$10 a day child care plan" (published by the Coalition of Child Care Advocates of BC and the Early Childhood Educators of BC); engaging the business community; connecting with the LGBT community through a queer and trans poverty study; and emphasizing the need to raise incomes by raising the wages of the working poor. The overall goal is consistent: BC needs a comprehensive poverty reduction plan with measurable goals, targets timelines and government commitment.¹¹

MEASURING PROGRESS

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

	LICO ¹² Low Income Cut-off After-tax	LIM ¹³ Low-Income Measurement	MBM ¹⁴ Market Basket Measure	Food Bank Usage ¹⁵	Welfare Recipients ¹⁶
2005	547,000, 13.2 %	615,000, 14.8%	656,000, 15.8%	75, 413, 1.8%	140,132, 3.3 %
2009	523,000, 12.0 %	639,000, 14.6%	684,000, 15.6%	89,866, 2.0%	164,843, 3.7%
2010	510,000, 11.5%	660,000, 14.9%	697,000, 15.7% -	94,359, 2.1%	177,803, 3.9%
2011	476,000, 10.7 %	683,000, 15.3 %	735,000, 16.5 %	90,193, 2.0 %	181,853, 4.0 %
2012	-	-	-	96,150, 2.1%	178,048, 3.9%

^{* -} data not available

From Outside the British Columbia Government

The insistence on jobs creation by the BC government as the most effective route to battle poverty and the perpetual unwillingness to adopt a provincial poverty reduction plan despite having some of the highest rates of overall and child poverty in Canada continues to garner outside criticism.

While the government seemed to take a step forward with the Pilot Poverty Initiative, First Call BC Child and Youth Advocacy Coalition describe the initiative's strategies as "vague at best" with a lack of substantive details about policies, programs and goals of the project. Other critics note that by using only existing resources and personnel with no extra funding, poverty will not decrease. NDP Social Development Critic Carol James sees the lack of funding as translating to downloading responsibility to the communities who already are stretching their finances to provide necessary services. 18

The changes to a number of welfare policies in June 2012 received some positive reaction from those outside the government, with some caveats. The Canadian Centre for Policy Alternatives notes that while the changes are mostly positive, they were long overdue and because the government did not actually raise welfare benefits, the majority of welfare recipients will not be impacted. As the organization Raise the Rates points out, the \$610 welfare income for a single person per month is not enough to both rent a cheap place and buy nutritious food. They are calling for rates to be increased to the Market Basket Measure, which would equal \$1300 a month for a single person in Vancouver. On the control of t

A major focus of anti-poverty activists has been on child poverty rates and child care. The median cost for full-time monthly child care in 2012 in BC was \$1,047 for infants, \$907 for toddlers and \$761 for 3-5 year olds. A limited number of child care spaces exist. In 2010 there were only enough spaces for 11.3% of 0-6 year olds. The Coalition of Child Care Advocates of BC has been promoting their \$10 A Day Child Care Plan, which has the support of 21 municipalities in the province. They point out that while the government is focusing on its Job Plans, the lack of affordable child care is the largest obstacle many people face in joining the workforce and when considering those in poverty, child care is the single most significant action the government could undertake to assist families. San

BC used to build between 1000-1500 units of social housing per year; over the last 8 years the Liberal government has provided only 400 social housing units per year and currently have made no new housing commitments.²⁴ The Social Housing Coalition is calling for 10,000 units of social housing per year to tackle the 116,000 people in BC who are homelessness, at risk of homelessness or those who spend more than 50% of their income on rent.²⁵ From 2006 – 2013, 65% of the increase in household supports by the government has been in the form of rental assistance, such as the Rental Assistance Program. Critics note that while these programs are important, they do not contribute to new low-income housing units. The creation of new social housing units in the last three years has increased from the previous three years, but it is still not enough to keep up with demand of the province.²⁶

From child care to housing, low wages are making life more difficult, especially for those earning minimum wage. Advocates call for the minimum wage to be set at the poverty line and indexed to inflation.²⁷ Another initiative encourages business to adopt a living wage that is based on costs of living for a family of four with two young children. A living wage in Vancouver in 2013 would be \$19.62/hr, in Victoria \$18.73, in Kamloops \$17.95 and in Cranbrook \$14.16.²⁸

Government Initiatives

- **1. Human Rights:** The B.C. Human Rights Code includes the dignity and equality of all citizens and protects British Columbians from discrimination in areas such as housing, housing and services that would be customarily available to the public. To date, the BC government has not referenced human rights in regards to poverty.
- **2. Income Support:** Frozen since 2007, the current welfare rate for a single person is \$610 per month, which is less than the average rent for a bachelor suite in cities such as Kamloops, Dawson Creek, Victoria and Vancouver. The monthly welfare rate for a person with a disability is \$906. In June 2012, the BC government announced marginal improvements to certain income assistance policies as part of the Families First Agenda. Changes include reinstating earnings exemption of \$200 for single people and an increase to \$800 for people with disabilities, which will be calculated yearly instead of monthly. The government also increased back-to-school supplements for children under 12 (\$84 to \$100). The 2013 budget announced that starting in April 2015, the B.C. Early Childhood Tax Benefit will give families with net incomes under \$100,000 a refundable tax credit of \$55 per month per child under the age of six.
- **3. Housing:** BC struggles with high housing costs and low rental rates in major centres. Vacancy rates in large cities such as Victoria are low; rates for a bachelor apartment in April 2012 were 1.7%, 3% for a two bedroom apartment and 1.4% for a 3 bedroom apartment. In Vancouver a 2-bedroom unit averages \$1,210 per month, well above rates of social assistance, especially for lone-parent households.³³ More than 35% of people in Vancouver pay more than 50% of their income on rent,³⁴ and rental vacancy rates are dismally low at an annual average of 0.9%.³⁵ The BC housing wait list is approximately 10,000 names long, and affordable housing is not being built at a rate that can sustain such demand.³⁶

In March 2013, the BC and federal governments announced the Federal-Provincial Housing Initiative as part of the \$180 million investment in the Affordable Housing Agreement (2011-2014). The initiative consists of a total of \$155 million investment from both governments.³⁷ In April 2013, the BC government announced a \$135,000 contribution to the Community Development Institute towards their research on housing issues, with a focus on northern communities.³⁸

4. Education: Funding for education continues to be minimal – for kindergarten to grade 12, the education budget increased by 0.06%, which is inadequate to meet the growing costs associated with inflation.³⁹ Between 2007/2008- 2011/2012, there was a 2% decrease in teachers, and over the past

decade, BC has had the highest student-to-educator ratio in comparison with the rest of Canada. ⁴⁰ Included in the 2013 budget announcement was a one-time \$1,200 grant for children born after 2007 towards a BC resident child's RESP. The budget also included \$17.3 million towards special education. ⁴¹ The BC government announced in June 2013 that they will be investing \$4.4 million in post-secondary institutions this year for programs and activities that enhance Aboriginal learners' experiences in the province's colleges and universities. Eleven post-secondary institutions have received this financial support to continue their work with Aboriginal communities and to develop and deliver culturally relevant supports, programs and courses. ⁴² BC also has the fourth lowest tuition fees in the country. ⁴³

- **5. Early Childhood Education and Care**: Child care continues to be expensive in BC. To date, families with a two year old child pay on average \$9,000 annually for child care, and in some larger cities such as Vancouver, families pay up to \$14,000 a year for child care for their toddler. The June 2013 budget announced spending of \$32 million over the next three years to create up to 2,000 new licensed childcare spaces, with the goal of opening 13,000 additional spaces over the next eight years. In addition to this, the budget announced another \$37 million over three years to strengthen the quality of child care and early year services in the province. 45
- **6. Healthcare:** BC has a lower per capita rate of health care spending than the majority of provinces in Canada. The BC government and the BC Medical Association announced in March 2013 a partnership to establish a new incentive that will help improve access to primary and specialist physician care in rural communities. In the same month the government also announced that regional health authorities will receive up to \$50 million annually over the next three years for targeted primary and community care programs to better support patients and their families. These programs will focus on patients with complex chronic conditions, those with mental-health and substance-use challenges, and seniors with complex-care needs. The latest budget announced in June 2013 included a 4% increase in Medical Services Plan premiums; MSP premiums have gone up by 85% since 2000.
- 7. **Employment Support:** As part of the BC Job Plan, the government will be investing five million dollars annually to increase the skills of those already in the workforce in 2013/2014. In addition to this, another \$75 million will be invested in updating training facilities and upgrading equipment. The government noted a weak forecast for economic growth, but a lower average unemployment rate in 2013 than in 2012. In May 2012, the minimum wage was increased to \$10.25; however, average wages are behind the rest of the country in a number of categories. When the Families First agenda was first proposed two years ago, there was a promise to increase Working Income Tax Benefit which still has not happened. Sa
- **8. Inequality:** British Columbia is last among Canadian provinces in regards to level of inequality amongst individuals. B.C has the largest income gap between the richest 20% and the poorest 20% of income earners. In 2009, the lowest 20% of earners earned just 7.7% of what the highest 20% earned. In recent years, the BC Government has encouraged a policy supporting high income earners through low taxation. In 2010, the income tax rate became increasingly regressive, and these changes have

primarily benefited the largest 10% of earners. 54 As of December, 2012, BC ranked the worst in terms of income inequality. 55

THE BOTTOM LINE

A poll conducted by the BC Healthy Living Alliance shows that 78% of British Columbians support a provincial poverty reduction strategy, and 75% support adjusting income assistance rates to account for the real cost of a nutritious diet and real market rental rates. While the majority of British Columbians understand the need to follow of the lead of other provinces in creating a strategic poverty plan, the government continues to emphasize the BC Jobs Plan. Other provinces are succeeding at reducing poverty despite poor economic performance and higher rates of unemployment than BC. A comprehensive poverty reduction plan is needed with specific targets and timelines and with public engagement to ensure the needs of vulnerable groups are addressed. Eliminating poverty will save the government billions in savings from health care, criminal justice and education systems as well as lost economic productivity 57 – but that investment in British Columbians needs to come first.

FOR MORE INFORMATION

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