

Poverty Fact Sheet

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Calgarians have a right to full participation in the family, social, economic and political life of their communities. Poverty limits this full participation.

Who Are Calgary's Poor?

- One-third of all persons with disabilities
- Over half of all Aboriginal persons
- Almost half of all recent immigrants
- Close to one-third of all visible minority persons
- Over half of all single parent families
- Over one-quarter of the elderly
- One-fifth of Calgary's children

Source: *Prosperity: on Being Without, in the Land of Plenty* City of Calgary, Fall 2005

What is Poverty?

Poverty is the condition of a human being who does not have sufficient economic and other resources to live with the dignity, choices and power which support full participation in society.

- In Canada, the most widely used measures of poverty are Statistic Canada's Low Income Cut-Offs or "LICOs"
- Based on data collected through a survey of family expenditures, Statistics Canada has determined that when families earn a low income they end up spending a larger share of that income on necessities than the average Canadian family
- According to Statistics Canada, if a family has to spend more than 20% additional income than the average family on necessities they are living in "straitened circumstances"
- LICOs are often used as an indicator of poverty, and those who make an income below the LICO are said to be living in poverty

Family Unit Size	LICO
1 person	\$20,337
2 persons	\$25,319
3 persons	\$31,126
4 persons	\$37,791
5 persons	\$42,862
6 persons	\$48,341
7+ persons	\$53,821

Poverty in Calgary

- In 2003, 17.2% of Calgarians (161,000), lived in poverty, an increase of 3.5% from a rate of 13.7% in 2002
- Over 20% of Calgary children (43,000), lived in poverty in 2003, almost double the rate of 11% in 2000
- In 2004, there were over 2,500 homeless Calgarians in the biennial count
- In 2003, 19% of Calgary parents with children age 2-9 and 16% of parents with children age 10-17 did not have enough money to buy food for their family all the time
- 44,598 Calgarians received assistance from the Calgary Interfaith Food Bank in 2004
- 113,000 low income individuals in Calgary were not receiving any kind of provincial or federal social assistance in 2003
- An estimated 58,555 Calgary households are in need of affordable housing because they earn less than \$38,000 and spend more than 30% of their income on housing

Income & Supports

Some Root Causes of Poverty:

- Real income is shrinking, not keeping up with the cost of living
- Government cutbacks reduced funding for social services
- Lack of affordable housing
- Limited health care benefits
- Limited opportunity to accumulate personal and family assets
- Isolation and exclusion from community networks
- Systemic discrimination
- Underemployment
- Chronic unemployment due to health issues or lack of formal education
- Loss of employment due to downsizing or poor health
- Mental health or addictions issues
- Childhood neglect or abuse impacting current ability to cope

Minimum Wage: A single individual employed at minimum wage (\$7.00 per hour) working 40 hours per week, 52 weeks a year, would have an income of \$15,142 (including holiday pay) per year

↓ **\$5,195 below the LICO**

Alberta Works: A single individual receiving Alberta Works benefits who is not able to work due to chronic mental or physical conditions earns \$557 per month, or \$6,684 per year

↓ **\$13,653 below the LICO**

Alberta Works: A single individual receiving Alberta Works benefits who is looking for work or unable to work in the short term earns \$402 per month, or \$4,824 per year

↓ **\$15,513 below the LICO**

Assured Income for the Severely Handicapped (AISH): A single individual with a disability that severely impairs their ability to earn a living can earn a maximum benefit of \$1000 per month through AISH, or \$12,000 per year

↓ **\$8,337 below the LICO**

Economic Costs of Poverty

- **Health:** Poverty is responsible for increased health care costs in Calgary of at least **\$3.35 million per year** and possibly as much as \$16.3 million
- **Education:** Poverty is responsible for increased annual costs associated with Calgary school systems of at least **\$4.9 million** and perhaps as much as \$7.9 million
- **Other Costs:** Poverty is responsible for costs elsewhere in the economy that could amount to as much as **\$32.6 million per year**

Source: *The External Costs of Poverty* (2004)



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Vibrant Communities Calgary (VCC) exists to ignite community action to create and implement bold solutions that reduce and prevent poverty through collaboration and education. VCC is part of a national network where diverse community leaders from across Canada share ideas, practices and policies that strengthen their community-based poverty reduction initiatives.

VCC develops and supports creative and innovative poverty reduction strategies in Calgary, knowing that our combined diversity of experience and expertise will achieve results none of us could achieve individually.