

Poverty Fact Sheet

APRIL 2007

All 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 20% or more 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

2005 Before-Tax Low-Income Cutoffs for Canadian Cities with 500,000+ Persons

Family Unit Size	LICO
1 person	\$20,778
2 persons	\$25,867
3 persons	\$31,801
4 persons	\$38,610
5 persons	\$43,791
6 persons	\$49,389
7+ persons	\$54,987

Source: Statistics Canada 2006

Poverty in Calgary

- In 2004, 13.4% of Calgarians (127,000) lived in poverty
- Over 15% of Calgary children lived in poverty in 2004
- In 2006, there were over 3,400 homeless Calgarians in the biennial count
- In 2004, 52% of individuals in Calgary had a total income of less than \$30,000 while 5.4% had an income of \$100,000 or more
- In 2003, 19% of Calgary parents with children age 2-9 and 16% of parents with children age 10-17 did not always have enough money to buy food for their family
- 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

Sources: *The Calgary and Region Socio-Economic Outlook 2005-2010*; *Biennial Count of Homeless Persons in Calgary 2006*; Statistics Canada 2006.

Income & Supports

Some Root Causes of Poverty:

- Real income is shrinking, not keeping up with the cost of living
- Government cutbacks have 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 a before-tax income (including holiday pay) of \$15,142 per year

↓ \$5,636 below the LICO

Alberta Works: A single individual receiving Alberta Works benefits who is not able to work earns \$667 per month (including the Personal Needs Supplement), or \$8,004 per year

↓ \$12,774 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

↓ \$15,954 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 \$1,000 per month, or \$12,000 per year

↓ \$8,778 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 per year** 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)



Vibrant COMMUNITIES Calgary

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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.