

Social Planning Council of Winnipeg

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END CHILD & FAMILY POVERTY IN CANADA

IN HONOUR OF JOSEPH ZUKEN AND HIS LEGACY OF SOCIAL ACTIVISM

[www.campaign2000.ca](http://www.campaign2000.ca)

## Poverty Primer

### Introduction to Toolkit

This toolkit is designed to help individuals and groups find strategies, actions and resources that will help them in advocating to end poverty. Thanks to all who made contributions that strengthened this kit. If you have a suggestion for other resources that can be added or need clarification, please contact us at [liyugu@familyservicetoronto.org](mailto:liyugu@familyservicetoronto.org).

### What is Advocacy?

Advocacy is the art of speaking up for others. An advocate could be an individual, an organization or a group of organizations. It involves identifying, embracing and promoting a cause, in an effort to shape public perception and effect change (Habitat for Humanity).

### Defining and Measuring Poverty

There are numerous definitions of, and ways to measure poverty. Normally, distinctions are made between absolute and relative poverty. People living in absolute poverty cannot meet their basic needs for survival. However, poverty is often conceived of as relative; contextual to how one is doing in comparison to everyone else. Because we are all social creatures, the context in which we live is very important. The predominant view in Canada is that poverty refers to income levels so low that people are unable to participate in society. This is often referred to as social exclusion.

### Who is Poor in Canada?

In Canada, poverty does not affect all groups equally. While people living in poverty in Canada can be from any social group, families living in poverty in Canada disproportionately:

- Are headed by lone-parents
- Are racialized
- Are of Aboriginal descent
- Are newcomers to Canada (arrived less than five years ago)
- Have a member with a disability

### Ways to measure poverty

Canada does not have an official poverty line. There are a variety of established measures that are used:

#### **Low-Income Measure (LIM):**

This measure one half of the median income in Canada, adjusted for family size and composition. So, say the median income in Canada was \$50,000 per year. Half of that is \$25,000. Anyone making less than \$25,000 would be considered low-income. This measure is useful for international comparisons, as many other countries use this measure.



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### **Low-Income Cutoff (LICO):**

Developed and used by Statistics Canada, this measure based on what the average Canadian family spends on food, clothing and shelter as a proportion of their income. Those who spend more than the proportion that the average family spends on basic necessities is said to be living in low-income.

### **Market Basket Measure:**

Developed by Human Resources and Skills Development Canada (HRSDC), this measure is based on a basket of goods and services that are considered necessary to support a family in different communities. Canadians who lack the disposable income to purchase those goods and services are said to be living in poverty. It is often that that this is a more accurate measure of poverty as it more adequately takes the cost of living into account (compared the LIM and the LICO), because it accounts for factors such as transportation, recreation and school supplies that the LICO does not. It is also thought to be more sensitive to regional differences. It generally yields higher measures of poverty than the LIM and the LICO. However, because it is a new measure, it does not have the same reach as the other two and cannot be used for historical comparisons (how much poverty has changed over time).

If you see AT or BT after any these measures, this simply means after tax or before tax. This means people's incomes are measured either before they pay their income taxes or after. Before tax measures usually give a slightly higher measure of poverty.

### **Income Inequality**

Income inequality refers to the gap between rich and poor. In Canada, our income gap is at a thirty year high. This gap has also grown faster in the past ten years than any other OECD country except Germany. By 2006, the richest 10% of families earned 71 times more than the poorest 10%. That is almost two and a half times the ratio in 1976. This is in contrast to the fact that everyone except the richest 10% of families are working more than ever before. Compared to nine years ago, the average Canadian household with children is working almost 200 more hours per year. However, only this richest 10% saw major increases in earnings (Yalnizyan, 2007).

The Human Development Index ranks countries on a scale of 0 to 1 based on longevity of a country's population, knowledge of its population, and standard of living in the country. (Todaro and Smith, 2006) Canada has consistently ranked very high on this measure compared with other countries (always in the top 5 out of 179, and has been number one eight times, more than any other country). However, this is an average which can be skewed by a few very rich people. In contrast, the United Nations also produces a Human Poverty Index, which focuses on deprivations instead of developments. Using four indicators, countries are ranked by probability at birth of not surviving until age 50, the adult illiteracy rate, the percentage of people living below the poverty line, and long-term unemployment. On this ranking, Canada does not fare as well compared with other countries. It places eleventh out of 18 industrialized countries. (Lightman, 2003)



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### **Why Work to Reduce Poverty?**

Yes, Canada has citizens who live in poverty. Doesn't every country? Won't there always be poor and rich people?

The answer is no. There will probably never be a time in Canada when everyone makes exactly the same income. However, measures can be taken to drastically reduce inequality.

Canada ranks 19th out of 26 OECD countries in terms of child poverty rate. Many other countries are doing a lot better than Canada is. The 2005 UNICEF Report on Child Poverty in Rich Countries demonstrated that countries with high rates of social spending have low rates of child poverty, and countries with little social spending have high rates of child poverty. Canada's social spending has been declining since the 1990s, and is far below most European countries.

Canada and Sweden have very similar rates of child poverty before government transfers, but Sweden has higher taxes and higher social spending. In 2005, after income transfers and taxes, Sweden's rate dropped to 4.2%, while Canada's rate was only reduced 14.9%. Similarly, before government transfers, France's rate was higher than Canada's at 27.7% (versus 22.8%). After transfers, France's child poverty rate was 7.5%, Canada's was 14.9%. Government spending can make a difference (<http://www.unicef-irc.org/cgi-bin/unicef/Lunga.sql?ProductID=371>).

With a poverty reduction strategy, Britain succeeded in lifting 800,000 children and adults out of poverty, achieving a reduction of 23% in five years.

Quebec, Newfoundland and Labrador, Ontario, Manitoba and Nova Scotia have all committed to poverty reduction strategies while New Brunswick's is on the way.

### **Canada's Commitments**

Canada has committed to reducing poverty and guaranteeing all of its children and families a life free of poverty on numerous occasions. This is just a sampling, but there are many more:

#### **1989 Resolution**

On November 24, 1989, members of the House of Commons voted unanimously to work to end child poverty by the year 2000. Lack of action on this promise led to formation of Campaign 2000, and we are still trying to hold the government to its commitment.

### **Convention on the Rights of the Child**

The Convention on the rights of the child is an international convention with 54 articles setting out the civil, political, economic, social and cultural rights of children. Canada has ratified this convention and is thus bound to it by international law. It entered into force 1989.

The declaration has a section on economic justice, which includes statements such as:

- Economic justice is based upon ensuring that all families have a standard of living that provides for adequate nutrition, housing, and childcare.
- Economic justice supports healthy physical, emotional, social, and intellectual development, and assures access to health, educational, cultural, leisure, and recreational opportunities.



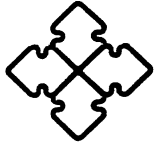
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- Economic justice rests on the creation of an equitable economic base ([www.rightsofchildren.ca](http://www.rightsofchildren.ca); [www.firstcallbc.org](http://www.firstcallbc.org).)

### International Covenant on Economic, Social and Cultural Rights

The International Covenant on Economic, Social and Cultural Rights commits its parties to work toward the granting of economic, social, and cultural rights (ESCR) to individuals, including [labour rights](#) and rights to health, social security, education, participation in cultural life and an adequate standard of living. This covenant entered into force in 1976. Some excerpts:

- [poverty is] “a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights”

“The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

(a) Remuneration which provides all workers, as a minimum, with:

- (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;
- (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;

(b) Safe and healthy working conditions;

(c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;

(d) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays” ([http://www.unhchr.ch/html/menu3/b/a\\_ceschr.htm](http://www.unhchr.ch/html/menu3/b/a_ceschr.htm))

### The Universal Declaration of Human Rights

This is a declaration adopted by the United Nations General Assembly in 1948. Canada has signed it. It represents the first global expression of rights to which all human beings are inherently entitled. Some of its statements are:

- Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
- Everyone, without any discrimination, has the right to equal pay for equal work.
- Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
- Everyone has the right to form and to join trade unions for the protection of his interests.
- Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
- Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.





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- Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection. (<http://www.un.org/en/documents/udhr/>)

### *Inaction Costs More Than Action*

At Campaign 2000 we believe that poverty is a public interest issue. Poverty is not only bad for the people experiencing it, it is bad for all of us. Not dealing with poverty actually costs governments billions of dollars and households thousands of dollars. For example, low-income people account for the highest proportion of public health expenditures. If the incomes of those in the bottom quintile were raised up one quintile, Canada would save \$7.6 billion in health care costs per year (cost of poverty, 2008). There are also poverty-induced costs related to crime, social assistance (welfare), loss of income tax revenue and loss of productivity.

Children growing up in low-income situations are more likely to have a host of poor health outcomes, lower school achievement, more behavioural problems, less access to or participation in adequate play and recreational facilities, sub-standard and sometimes unsafe housing, higher injury rates, and live in worse neighbourhood conditions than children in families with higher incomes. Long term, communities and individuals in low-income situations are more likely to have a higher prevalence of teen pregnancy, gang violence, school drop-outs, and poorer physical and mental health, including depression and chronic illness. This leads to the spiraling social and health costs described above.

Arguments that we can't ever do anything about poverty underscore the fact that we are already paying immense social, human and financial costs.

### **What Campaign 2000 and Partners Suggest Should be Done To Seek to Eliminate Poverty**

We at Campaign 2000 believe that poverty has systemic foundations: that is not the fault of individuals living in poverty but the result of unfair policies and programs that benefit some people and not others. These are the policy areas that research has shown will improve the lives of people living in poverty, and contribute to a more equitable society for all of us.

#### *Income Support: Child Benefit, Social Assistance*

Welfare rates need to be at a level that reflects the cost of living. Currently, they are far below that. Welfare also has many punitive rules that create undue hardship for people and make it harder for them to get out of poverty or get a job. These need to be changed. In addition, income support for people with disabilities is also punitive and a poverty sentence.

These rates need to be raised as well. There are also income supports that are place to help low-income families, working or not, that need to be much more robust. These include provincial and federal child benefits (*a lump of money given to families with children*) and working tax credits.



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Campaign 2000 suggests a child benefit of \$5,100 dollars a year (2007 dollars) for each child in low income families, and working tax credits of \$2,400 a year. Provincial ones should also be raised.

### Expanded Affordable Housing and a National Housing Strategy

Many Canadians are insecurely housed, which means that they are one or two paycheques away from being poor. This is because many Canadians are spending most of their incomes on housing, and the waiting lists for more affordable housing can be up to 15 years long. In addition, homelessness in Canada has been labeled a national disaster by the mayors of our largest cities. Canada needs to build more affordable housing and repair existing affordable housing. Canada does not have a national housing strategy, unlike many of other fellow OECD countries.

### Affordable and Accessible Education and Training

Rising tuition fees make post-secondary education and training inaccessible for low and modest income families, or saddle them with massive debts. Tuition fees need to be lowered so people do not have to make the choice between paying for their schooling for the rest of their lives, or forgoing post secondary education and training and remaining stuck in a poverty-wage job.

### Decent Wages and Labour Market Policies

Someone working full time, all year at minimum wage is about \$2,000 below the LICO. Provincial governments must raise the minimum wage to match the cost of living and continue to index it to inflation, which means that when the cost of living goes up, so does the minimum wage. Most suggestions for a decent minimum wage are at least, if not more than, ten dollars an hour.

There must also be better labour market policies that have stronger laws to protect workers from being exploited, restore Employment Insurance eligibility and adequacy (so that everyone who loses their job is able to receive enough money to live on until they get back on their feet) and address barriers to the labour market experienced by many marginalized groups.

### Early Learning and Child Care

Canada needs a universally accessible and affordable system of quality early learning and childcare services. Children who have a good start have a better chance of succeeding in life, and parents who have childcare for their children are able to participate in the labour market and make money. In a recent UNICEF report on child care in industrialized countries, Canada came in dead last for its (lack of a) system.

This is just an introduction. There are more fact sheets and research available from some of our partners. See the resources section of this toolkit.



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