

**LONDON'S ANTI-POVERTY STRATEGY:
LITERATURE REVIEW**

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Social Research and Planning
for
Discussion Purposes
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EXECUTIVE SUMMARY

London, like Ontario, is embarking on a formal poverty reduction strategy. Poverty levels in Ontario and London, as measured by low-income, are of significant concern: Ontario is known as the “child poverty capital of Canada” with a before-tax low-income rate of 17%. The low-income rate for children in London is higher than Ontario’s at 20%. Children and youth in London are more likely than any other age group to live with low-income. London’s recent immigrants, Aboriginal people, people with disabilities, visible minorities, and lone parents have higher low-income rates. Women in London— particularly single senior women and women in other vulnerable groups, are more likely than men to live with low-income.

Child and family poverty affects everyone. The harm done to children living in poverty, with insufficient food, shelter, clothing and supports, has lifelong consequences for them with respect to their health and future economic prospects. The research on every front is clear and compelling. Dollars invested in children to provide the conditions for healthy development save us huge social and economic costs later. In order for our children, youth and families who are struggling with poverty, to have a sense of belonging in our community, relationships need to be developed through employment, skill development, volunteer opportunities, recreation, leisure and cultural activities, child care and early learning opportunities. Meeting children’s fundamental needs is not a choice; it is a community responsibility which has tremendous rewards for all concerned.

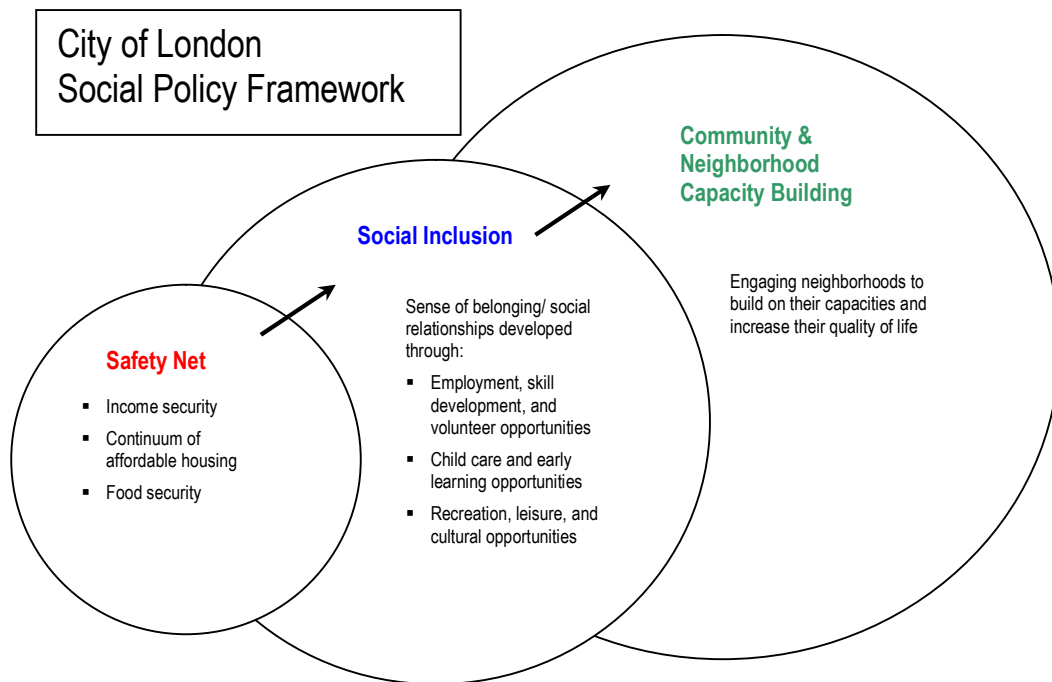
As we begin the community dialogue on an anti-poverty strategy for London, one of the first matters we will have to agree on is how we are going to measure poverty. This decision will establish our strategic framework for the development of an action plan. Traditionally, income measures like the Low Income Cut-Off and market basket measures against income have been most commonly used. While effective as economic measures, actions become limited, and measures like increasing the availability of safe, affordable housing fall outside this measurement system. To accommodate for this shortcoming, England and Ireland have made great progress through the use of “indices of deprivation”. Finally, the social determinants of health have been used as a broad lens for looking at the social and health impacts of poverty and marginalization.

“While poverty is thought of only in terms of financial resources, financial resources alone do not explain why some individuals may achieve success in exiting poverty, where others do not. In reality, there are a number of other resources that support people leaving poverty. These include emotional, mental, spiritual and physical resources, as well as support systems, relationships and role models, knowledge of hidden social rules, and coping strategies.”

Bridges Out of Poverty: Strategies for Professionals and Communities, 2003.

The development of London’s anti-poverty strategy may be guided by our Social Policy Framework. The social policy framework is central to the City of London’s success in achieving our strategic priorities of *economic prosperity, enriched cultural identity, and community vitality*. For example, the work of Richard Florida (2000) highlights that amenities and the environment are vital to attracting knowledge workers and supporting leading-edge technology firms and industries to a community. As London faces new demands to attract investment and the “creative class,” we must pay more attention to social factors in promoting our community as a business and quality of life destination.

Our Social Policy Framework is based on the guiding principles of equity and inclusion, dignity and self-sufficiency, and partnerships and accountability. For further details on these principles, please see Appendix Two.



To aid in the development of a local definition of poverty, determine the most appropriate means for measuring progress, and to identify strategic actions in which the community can engage, this literature review:

- discusses the different ways that poverty may be and is being defined, conceptualized and measured;
- provides a profile of low-income in London that identifies groups and neighbourhoods that are particularly vulnerable to low-income;
- presents the causes and effects of living with low-income; and
- summarizes anti-poverty strategies being used by other jurisdictions.

This paper is to be used as a discussion tool, providing the community with the foundational information needed to move forward in developing, implementing and monitoring London's anti-poverty strategy.

SECTION 1: INTRODUCTION

With its anti-poverty platform and the formation of a Provincial committee to develop a strategy to reduce poverty, Ontario has officially recognized the significance of the incidence, depth and persistence of poverty on individuals, communities and the Province. Ontario is the “child poverty capital of Canada”¹: Ontario has an after-tax child low-income rate of 12.6% and a before-tax child low-income rate of 17%); and is home to 44% of Canada’s low-income children.” There are 16% of Ontario families with children living with low-income, and, as a community, 14% of Ontario’s population has low-income.

The research is clear that living with low-income has negative impacts on individual and community health and the ability for all people to participate in society equally. These negative impacts have tremendous economic and social costs, For example, the cost of treating the illnesses caused by poverty is huge to our health system and much more serious when combined with the broader costs caused by disability. Parts of these costs are in lost productivity, support time from caregivers and the burden on our disability assistance system.²

Historically, London has been active on this issue for many years, and has made significant investments in discretionary programs for social assistance recipients and the working poor as well as supporting affordable housing initiatives. Recently, segments of the London community have been advocating for an anti-poverty strategy for London, including the community advocates group and the London Homeless Coalition. A community forum on poverty in 2007 attracted close to 300 individuals. In December, 2007, the Community Services Department received direction from the London City Council Community and Protective Services Committee to move forward with an anti-poverty strategy for London.

The intent of this literature review is to provide an overview of poverty for the purposes of providing stakeholders who will be involved in the development of a local anti-poverty strategy with a foundational understanding of poverty in London. Specifically, this paper will discuss the various ways that poverty can be defined, conceptualized and measured. It will provide a profile of poverty in London, including key facts and figures and will describe its causes and the impacts it has on individuals and communities. The literature review documents what can be done to address poverty and provides specific examples of strategic approaches that are currently being implemented in other jurisdictions, including the United Kingdom and Ireland. It is intended that, with the information contained in this report, the community will be able to develop a London definition of poverty, and will have the information needed to begin to identify specific actions that can be taken.

This literature review is by no means exhaustive as the volume of work on poverty is extensive and time consuming. Despite this limitation, we are confident that the contents of this review are comprehensive and that a fuller review would not change much of our understanding of poverty to a great extent.

¹ Campaign 2000. 2007 Report Card on Child and Family Poverty in Canada. It Takes a Nation to Raise a Generation: Time for a National Poverty Reduction Strategy

² Bloch, G, Member of the steering committee of Health Providers Against Poverty. “Poverty Takes a Huge Toll on Health”. Toronto Star. September 10, 2007.

SECTION 2: WHAT IS POVERTY?

Defining Poverty: In the absence of a national definition of poverty for Canada, definitions from the literature and from various jurisdictions are summarized below:

Jurisdiction	Definition of Poverty
Lambton County	<p>Poverty is when a person or a community is deprived of, or lacks the essential resources required, for a minimum standard of well-being.</p> <p>These resources include the necessities of daily living such as food, safe drinking water, clothing, shelter, health care, access to information, education, social status, political power or the opportunity excludes them from taking part in activities which are an accepted part of daily life in society.</p>
Hamilton	<p>Individuals and families experiencing poverty lack the adequate resources to maintain a decent standard of living, and to participate fully in the life of the community.</p> <p>While poverty is not only an income issue, it is always related to income and access to resources.</p>
Niagara	<p>No specific definition. The literature review report defines poverty based on the following four aspects:</p> <ol style="list-style-type: none"> 1. monetary measure (i.e. living below the LICO or MBM) 2. social determinants of health framework (i.e. impact of poverty on health, well-being and outcomes) 3. individual's experience of powerlessness, voicelessness and social exclusion 4. broader impacts of poverty for the community.
Bedford, United Kingdom	<p>Is a life situation people may find themselves in, if their income and resources are not enough to allow a standard of living, which is relative to, customary, widely encouraged and approved in the societies in which they belong.</p>
Canadian Council on Social Development	<p>To be poor is to be distant from the mainstream of society and to be excluded from the resources, opportunities and sources of subjective and objective well-being which are readily available to others.</p>
Ireland	<p>Poverty is deprivation due to a lack of resources, both material and non-material, e.g. income, housing, health, education, knowledge and culture. It requires a threshold to measure it.</p>
Quebec	<p>The condition of a human being who is deprived of the resources, means, choices and power necessary to acquire and maintain economic self sufficiency or to facilitate integration and participation in society.</p>

Our definition of poverty will shape our understanding of the problem, who is affected, the required interventions and the determination of potential beneficiaries for any anti-poverty strategy. For Mendelson (2005), it is critical to have a clear Canadian definition for us to tackle the problem and that "we can not fully address poverty until we have defined poverty as a country". Understanding the relevant issues is also critical for policy and administrative practice and for determination of appropriate poverty measure(s) rather than blindly adopting a single "poverty line". There is no one measure that is useful in all contexts. It is not even clear that a "line" is the best concept to use as a poverty measure.

SECTION 2: WHAT IS POVERTY?

Theories of Poverty

A review of concepts and theories of poverty may be helpful in understanding the relationship between public policies and poverty. Such policies and programs are often associated with robust theories for understanding causes and effects if they are to attain their objectives and goals.

Public policies on social issues like poverty are often based on faulty premises and erroneous causal reasoning (Rein and Winship: 1999). For useful conclusions to be made, theories and policies have to be bridged by appropriate concepts and operational measures. These concepts and measures may be biased by the quantifiable indicators chosen to represent the key variables (Streeten 1998). Empirical research could also deviate significantly from theoretical reasoning (Foster 1994: 365), making research results less reliable and difficult to explain (Bradshaw, 2007).

There are many competing anti-poverty theories in the literature, but it is important to choose what is relevant and believed to be responsible for the problem being addressed. Here, five theories of poverty are discussed including the following:

Figure 1. Five Theories of Poverty and Community Anti-Poverty Programs

Theory	What causes Poverty?	How does it work?	Potential Community Development responses	Community examples to reduce poverty
1. Individual	Individual laziness, bad choice, incompetence, inherent disabilities	Competition rewards winners and punishes those who do not work hard and make bad choices	Avoid and counter efforts to individualize poverty, provide assistance and safety net	Drug rehabilitation, second chance programs, making safety net easier to access, use training and counseling to help poor individuals overcome problems
2. Cultural	Subculture adopts values that are non-productive and are contrary to norms of success	Use community to the advantage of the poor; value diverse cultures, acculturation, and community building; alternative socialization through forming new peer groups	Head Start, after school, leadership development within subcultures, asset-based community development	Head Start, after-school leadership development within subcultures, asset-based community
3. Political-economic structure	Systematic barriers prevent poor from access and accomplishment in key social institutions including jobs, education, housing, health care, safety, political representation, etc.	Selection criteria directly or indirectly exclude some groups of persons based on inappropriate criteria	Community organizing and advocacy to gain political and economic power to achieve change; create alternative organizations	Policies to force inclusion and enforcement

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Theory	What causes Poverty?	How does it work?	Potential Community Development responses	Community examples to reduce poverty
4. Geographic	Social advantages and disadvantages concentrate in separate areas	Agglomeration, distance, economies of scale, and resource distributions reinforce differences	National redistributions, concentration of development on local assets	Redevelopment areas, downtowns, rural networking, urban revitalization
5. Cumulative and cyclical	Spirals of poverty, problems for individuals (earnings, housing, health, education, self confidence) are interdependent and strongly linked to community deficiencies (loss of business and jobs, inadequate schools, inability to provide social services), etc.	Factors interact in complex ways. Community level crises lead to Individual crises and vice versa, and each cumulate to cause spirals of poverty	Breaking the spiral of poverty with a spiral of success through a comprehensive program that addresses both individual and community issues	Comprehensive CDC programs that build self-sufficiency in a community reinforced environment, programs that link individual and community organizations, asset-based approaches

Source: Bradshaw (2007:10-11)

Measuring Poverty

According to Sweetman (2008), Canada does not have an “official” Poverty Line, but it has a number of related statistical indicators which are sometimes informally called “poverty lines”. The most popular of the measures used is probably Statistics Canada’s Low Income Cut-Off (LICO).

Sweetman (2008) has classified poverty measures into absolute and relative measures.

Absolute measures are fixed in real terms over time and they are constant after adjustment for inflation. The threshold is unresponsive to changes in living standards and to income growth. An example of an absolute measure is the Market Basket Measure (MBM) that was first developed by Human Resources and Social Development Canada (HRSDC) in 2000. The MBM measures the cost of purchasing a pre-determined basket of goods and services in specific places (markets). The basket is first defined for a reference family of four (two adults between the ages of 25-49, one girl aged 9, and one boy aged 13). The basket is calculated to allow the reference family to achieve an acceptable standard of living in accordance with the community. The basket includes:

- food from Health Canada’s Nutrition Food Basket;
- shelter cost estimated as median rent (including utilities) for two- and three- bedroom apartments.
- transport costs;
- clothing and footwear costs estimated by Winnipeg Social Planning Council; and
- allowances for other expenses (personal, educational supplies, recreation and others)

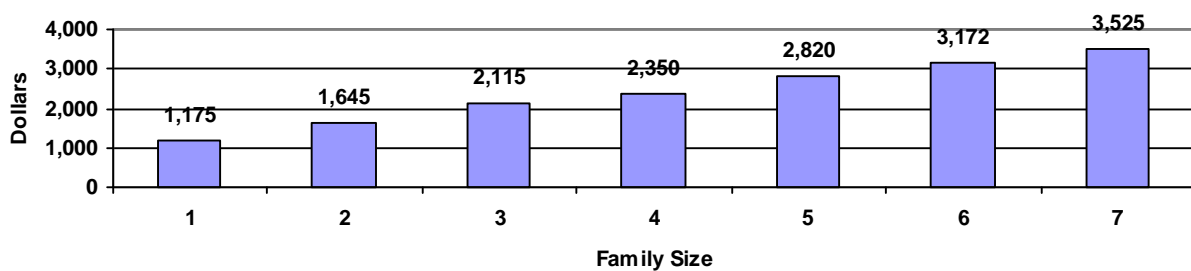
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The income required to buy all items in the basket is disposable income net of required expenditures and deductions (such as mandatory payroll deductions, out of pocket spending for child care, out of pocket medical and health care expenses, alimony and child support).

A relative situation exists if the basket is adjusted over time. In 2006, HRSDC released an updated MBM reflecting 2002 costs. The US official poverty line is also absolute with subsistence food budgets, but the basket has not been adjusted since inception in 1961 (using 1955 data).

Market Basket Measure amounts for different family sizes for London are provided in the chart below. These figures have been calculated by applying annual inflation rates³ to the 2002 figures released by HRSDC in 2006.

Figure 2: Monthly Cost of Living



Relative Measures are responsive to economic inequality and /or polarization. Relative measures move 1-to-1 with income growth and are more concerned with income inequality & social inclusion. An example of a relative measure is Statistics Canada's Low Income Measure (LIM) which considers 50% of the after-tax annual income of the median family. As compared to the Common European Measure, the European Union, (EU) uses 60% and the Organization for Economic Co-Operation and Development (OECD) uses 70%, of the median.

The LIM is not adjusted for different community sizes. LIM is often used for international comparisons.

Figure 3: Annual Low Income Measures, 2005

		number of children					
number of adults	number of children						
	0	1	2	3	4	5	
After Tax							
1	14,604	20,446	24,827	29,208	33,589	37,970	
2	20,446	24,827	29,208	33,589	37,970	42,352	
3	26,287	30,668	35,050	39,431	43,812	48,193	
4	32,129	36,510	40,891	45,272	49,654	54,035	
Before Tax							
1	16,734	23,428	28,448	33,468	38,488	43,508	
2	23,428	28,448	33,468	38,488	43,508	48,529	
3	30,121	35,141	40,162	45,182	50,202	55,222	
4	36,815	41,835	46,855	51,875	56,896	61,916	

³ Ministry of Finance. Ontario Budget 2008. March 25, 2008.

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A Mixture of absolute and relative elements is Statistics Canada's (Statcan) Low Income Cut-off (LICO). Here, the amount that an average family spends on food, clothing and shelter, plus 20% is adjusted. There is also low level adjustment for single, rural (2004) of \$11,025 and a high level adjustment of 7 or more, major city (2004) of \$44,197. The Cut-offs were most recently set in 1992 (key relative element), and then updated annually for inflation (absolute element). Statistics Canada has both Before Tax and After Tax LICO figures. Before tax figures reflect total income including government transfers, before the deduction of income taxes. After tax figures are preferred by Statcan because (1) they more fully reflect the redistributive impact of Canada's tax/transfer system and (2) since the purchase of necessities is made with after-tax dollars, it is logical to use people's after tax income to draw conclusions about their overall economic well-being.

Sweetman (2008) had cautioned that the relative and absolute elements could go in opposite directions as in the case of Ireland being cited as experiencing income increases at all income levels while earnings inequality is increasing. While poverty is decreasing by absolute measures in Ireland, it is also increasing by relative terms. According to Sweetman, an equity-efficiency trade-off and substantial redistribution may reduce relative poverty, but could increase absolute poverty as well. It is much harder to reduce relative poverty than absolute poverty.

Figure 4: Low Income Cut offs for London 2006

2006	Annual		Monthly	
	Before Tax	After Tax	Before Tax	After Tax
1 person	\$18,260	\$14,859	\$1,522	\$1,238
2 persons	\$22,731	\$18,085	\$1,894	\$1,507
3 persons	\$27,945	\$22,519	\$2,329	\$1,877
4 persons	\$33,930	\$28,095	\$2,828	\$2,341
5 persons	\$38,482	\$31,992	\$3,207	\$2,666
6 persons	\$43,402	\$35,480	\$3,617	\$2,957
7 or more persons	\$48,322	\$38,967	\$4,027	\$3,247

Index of Deprivation The measures above focus on income (or the lack thereof), but definitions of poverty are broader than income. For this reason, many jurisdictions have developed measures that include measures of health, social participation, housing and access to basic goods and service in addition to income. These indices of deprivation are combined to arrive at a single value that can be compared over time. Items included in a deprivation index are those which have been empirically shown to have a correlation to low-income. For example, living in poor housing is correlated to having low-income. Therefore, quality of housing is an item to be included in the index of deprivation. Our review of jurisdictions using indices of deprivation to measure poverty identifies that a typical index would have eight to eleven items. Appendix 1 details the specific items used by Ireland to measure poverty.

Canada does not currently have a standard index of deprivation, however, HRSDC has developed Indicators of Well Being that include measures related to health, social participation, leisure, family life, housing, work, learning, financial security, environment and security. The Federation of Canadian Municipalities has developed Quality of Life indicators that include many of these same indicators.

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Social Determinants of Health Measures associated with the social determinants of health respond to the fact that major health disparities persist between various groups in Canadian society and that to improve the health status of vulnerable groups, we need to address the root causes of health problems. These root causes are the social conditions in which people live and work, referred to as the social determinants of health. Evidence shows that most of the burden of disease and the bulk of health inequalities are caused by social determinants.

These measures reflect a population health approach that “recognizes that health is a capacity or resource rather than a state, a definition which corresponds more to the notion of being able to pursue one's goals, to acquire skills and education, and to grow. This broader notion of health recognizes the range of social, economic and physical environmental factors that contribute to health. The best articulation of this concept of health is “the capacity of people to adapt to, respond to, or control life's challenges and changes”⁴.

The social determinants of health include: income inequality (poverty); social inclusion and exclusion; employment and job security; working conditions; contribution of the social economy; early childhood care; education; food security and housing.

Apart from those mentioned above, there are also other measures that are not called poverty lines, but they serve as indicators to measure the level of poverty. These include the Provincial cut-offs for social assistance receipt, cut-offs for the Goods and Services Tax rebate, National Child Tax Benefit, and Working Income Tax Benefit eligibility et cetera.

⁴ Public Health Agency of Canada. Population Health. What is the Population Health Approach. Pulled from the World Wide Web. <http://www.phac-aspc.gc.ca/ph-sp/phdd/approach/index.html> April 11, 2008.

SECTION 3: INDICATORS OF POVERTY IN LONDON

This profile of poverty in London is based on selected indicators that have historically been used to measure poverty in our community, including the number of people living below Statistic Canada's Low Income Cut Off (LICO), social assistance caseloads, food bank use, shelter use, and bankruptcy rates.

While the numbers here identify how many people live with a lack of financial resources, the numbers also signify a population that could experience a "social poverty" as a result of being marginalized from mainstream society due to their economic class.

Social Assistance Caseloads

Due to low benefit levels, individuals and families relying on social assistance live with incomes that are inadequate to cover the cost of living in London (and elsewhere in Ontario and Canada).⁵ These families have little to no savings from which to supplement social assistance, employment, child benefit and any other income they may receive.

The total social assistance caseload (including both Ontario Works and Ontario Disability Support Program) has increased over the last four years, primarily due to the growing number of people with disabilities in London relying on the Ontario Disability Support Program. The number of individuals and families relying on this program has been increasing at a rate of about 3% per year for the past number of years and is projected to continue to increase. In 2007, an average of 8%⁶ of London's population were in receipt of social assistance.

In 2007, just over 4,500 families with children received social assistance through Ontario Works or the Ontario Disability Support Program. Just over 700 of families of these families were working. There are approximately 8,000 children under the age of 18 living in families receiving social assistance.

For many, relying on social assistance is not just a financial burden, it sets them apart from mainstream society. Individuals and families relying on social assistance may have difficulty obtaining and maintaining work that pays enough to become self sufficient, finding and maintaining adequate housing, and participating in educational, recreational and leisure activities that are enjoyed by individuals with adequate income.

Food Bank Use

Individuals with inadequate incomes to cover the cost of living must often choose to pay the rent or purchase food. The choice to pay rent in order to avoid eviction results in individuals and families turning to food banks in order to feed their families.

In 2006, 2,347 families visited the London food bank each month; 40% of the people served were children and youth. Families visited an average of 3.4 times per year. One quarter of these families had no source of income.⁷ The Ontario Hunger Report (2007) records an even higher number of people visiting food banks in London. According to this report, 15,000 Londoners were served by food banks each month in 2007.

⁵ Social Research and Planning, Community Services Department. "City of London Social Policy Framework: Income Security Policy Paper". Draft. October, 2006.

⁶ Calculation: 29,209 Ontario Works and Ontario Disability Support Program beneficiaries / 355,604 people

⁷ London Food Bank. Statistics. Pulled from the World Wide Web on March 20, 2008.
<http://www.web.net/~londonfb/LFB-statistics.htm>

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Emergency Shelter Use

For the most part, individuals staying in emergency shelters have little or no income. Not only do most have little access to income, many may have significant personal challenges such as addictions or mental health issues that further marginalize them. Many may have experienced abuse in their formative years. Some may have grown up with little stability, such as children who were crown wards. As such, we are now seeing second and third generations of shelter users as frequent occupiers.

Individuals and families fleeing domestic violence (primarily women and children) may need to stay in emergency housing (second stage housing or transitional housing). Many of these individuals and families are left with little to no financial resources.

In 2007, an average of 934 individuals stayed in emergency shelters in London each month. This includes 827 adults and 107 children.⁸

Bankruptcy Rates

In 2007 the rate of personal bankruptcy and consumer proposal filing increased by 8.2%. Consumer bankruptcies increased from 29,851 in 2006 to 31,409 in 2007 for an increased of 5.2%. The total number of personal bankruptcies and consumer proposal⁹ filings increased from 1,967 in 2006 to 2,196 in 2007.¹⁰

Low Income Rates

The remainder of this section provides a profile of the different dimensions of low-income in London using before-tax low-income cut off (LICO) data provided by the Urban Poverty Project 2007. The Urban Poverty Project explores the dimensions of low-income using 2000 income data reported in the 2001 census. The most recent LICO figures for London are based on 2001 census data; 2006 census income data will be released in May, 2008.

According to Sweetman, Canadian taxes are probably roughly proportional, with about the same percentage paid at all income levels, therefore, taking into account taxes and transfers has a very modest impact on relative poverty measures.

London's figures are compared to Canada's, Ontario's and selected southern Ontario cities, including: Hamilton, St. Catherines, Kitchener, and Windsor. By comparing these four cities with London, we are comparing urban centres that are the core cities for their Census Metropolitan Areas (CMAs) and excludes the influence of suburban and rural areas. Focusing the comparison on southern Ontario cities ensures that factors such as proximity to the border, and the economic profile (particularly industry mix) are reasonably similar.

Unless otherwise indicated, the data and the charts included in this section are created using data provided in the Urban Poverty Project 2007 reports.

⁸ Internal statistics based on Hostel Billings received from emergency shelters.

⁹ Consumer proposal definition: a deal that individuals who are unable to pay their debts may be able to make with their creditors as an alternative to filing for bankruptcy

¹⁰ Office of the Superintendent of Bankruptcy Canada. "Insolvency Statistics and Economic Analysis". Consumer and Proposals, Division 2. http://strategis.ic.gc.ca/epic/site/bsf-osb.nsf/en/h_br01011e.html

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In 2000, 17% of all Londoners living in private households had incomes below the LICO. London's low-income rate is higher than both Ontario and Canada (14.4% and 16%, respectively).¹¹ London's status as a large urban centre and core city of the Census Metropolitan Area (CMA) are factors contributing to this higher low-income rate. The impact of geography will be further explored later in this section.

Certain groups in London are more likely to live with low-income. Children and youth age 0 to 24, recent immigrants, visible minorities, aboriginal identity people, individuals with disabilities, unattached individuals, people with lower education, and people with no or part-time employment have higher low-income rates than others. A few neighbourhoods in London have high low-income rates (i.e. low-income rates of 30% or higher).

The following sections delve into London's data to provide a better understanding of who is particularly vulnerable to living with low-income, the possible contributing reasons, and demographic trends that point to growing areas of concern. With a deeper understanding, it is hoped that the community will be able to strategically respond.

Low Income by Geography

People with low-income are more likely to live in Canada's largest cities (of which London is one) than they are to live in rural areas or urban areas outside of the largest cities. In 2001, 56% of individuals with low-income lived in Canada's 46 large urban cities (Census Subdivision – CSD).

Canada's largest cities have higher low-income rates than do rural and urban areas just outside the largest cities. The low-income rate among residents of large cities was 19.3% compared to a low-income rate of 12.8% among Canadians living outside of these cities.¹²

In light of the fact that low-income rates tend to be higher in larger core cities, London's low-income rate is not out of line. This is not to say that London's low-income rate is acceptable, but only that compares reasonably with other municipalities:

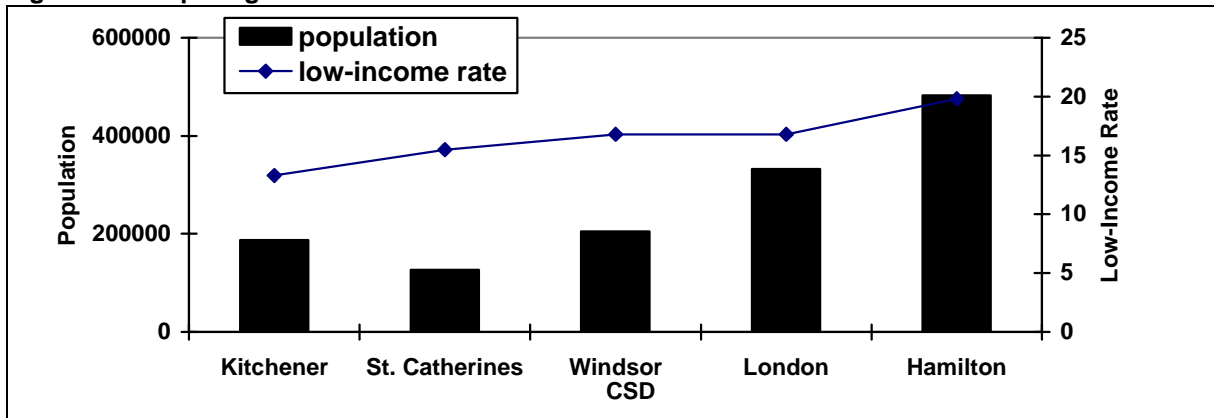
- London's population ranks as the 12th largest of the 46 CSDs included in the Urban Poverty Project;
- 22 CSD's have higher low-income rates;
- Compared to CSDs in Southern Ontario, London's low-income rate is the same as Windsor's, lower than Hamilton's and higher than Kitchener's and St. Catherines' rates. London's rank as the city with the second highest low-income rate is consistent with having the second highest population among these five southern Ontario cities.

¹¹ Canadian Council of Social Development. "Urban Poverty Project".

¹² Canadian Council on Social Development. Urban Poverty Project 2007. "Poverty by Geography".

SECTION 3: INDICATORS OF POVERTY IN LONDON

Figure 5: Comparing Low-Income Rates in Select Southern Ontario CSDs



In cities across Canada, there is evidence that individuals and families with low-incomes may be concentrated in certain neighbourhoods¹³ within the city. The evidence of this concentration varies largely across cities. The Urban Poverty Project categorized neighbourhoods into five different groups based on low-income rates.

Figure 6: Classification of Neighbourhoods based on Low-Income Rate

Neighbourhood Classification	Definition
Low poverty	low-income rate of less than 10%
Moderate poverty	low-income rate of 10% to 19.9%
Moderately high poverty	low-income rate of 20% to 29.9%
High poverty	low income rate of 30% to 39.9%
Very high poverty	low-income rate of 40% or over

Compared to other central cities¹⁴, London has fewer neighbourhoods that are classified as being moderately high to very high low-income neighbourhoods:

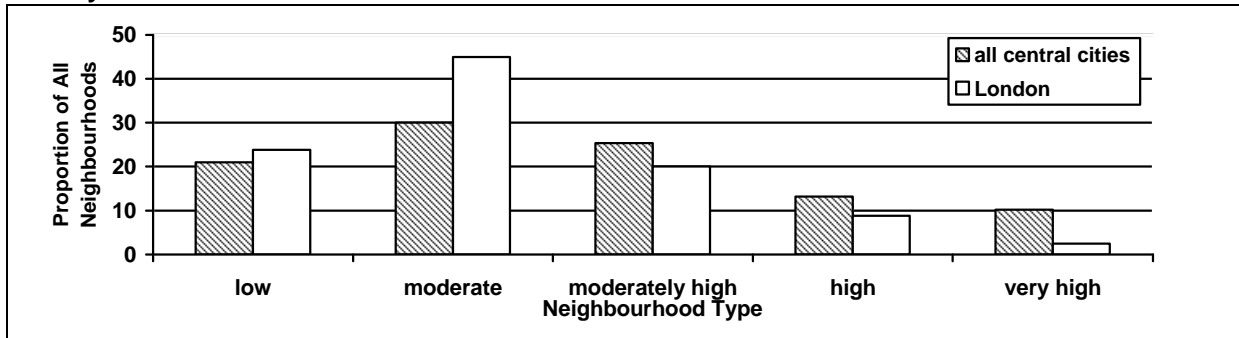
- Approximately 30% of London's neighbourhoods have low-income rates above 30%
- On average, 49% of neighbourhoods in central cities have low-income rates above 30%.

¹³ The Urban Poverty Project uses the Census Tract (CTs) to define a neighbourhood. CTs are "small geographic units representing urban or rural neighbourhood-like communities created in census metropolitan areas." The population of CTs ranges from a minimum of 2,500 to a maximum of 8,000. They are defined to closely resemble what most people would think of as a neighbourhood. Within a CT, there are smaller geographic units, called Dissemination Areas (DAs).

¹⁴ The Urban Poverty Project uses the term "central city," to describe the historic anchor city (CSD) of each metropolitan region. There are 30 central cities identified in the Urban Poverty 2007, Poverty by Geography report.

SECTION 3: INDICATORS OF POVERTY IN LONDON

Figure 7: Proportion of City Neighbourhoods with Low, Moderate, Moderately High, High and Very High Poverty Rates



London's low-income residents are more likely than Canada's low-income city residents to live in higher-income neighbourhoods:

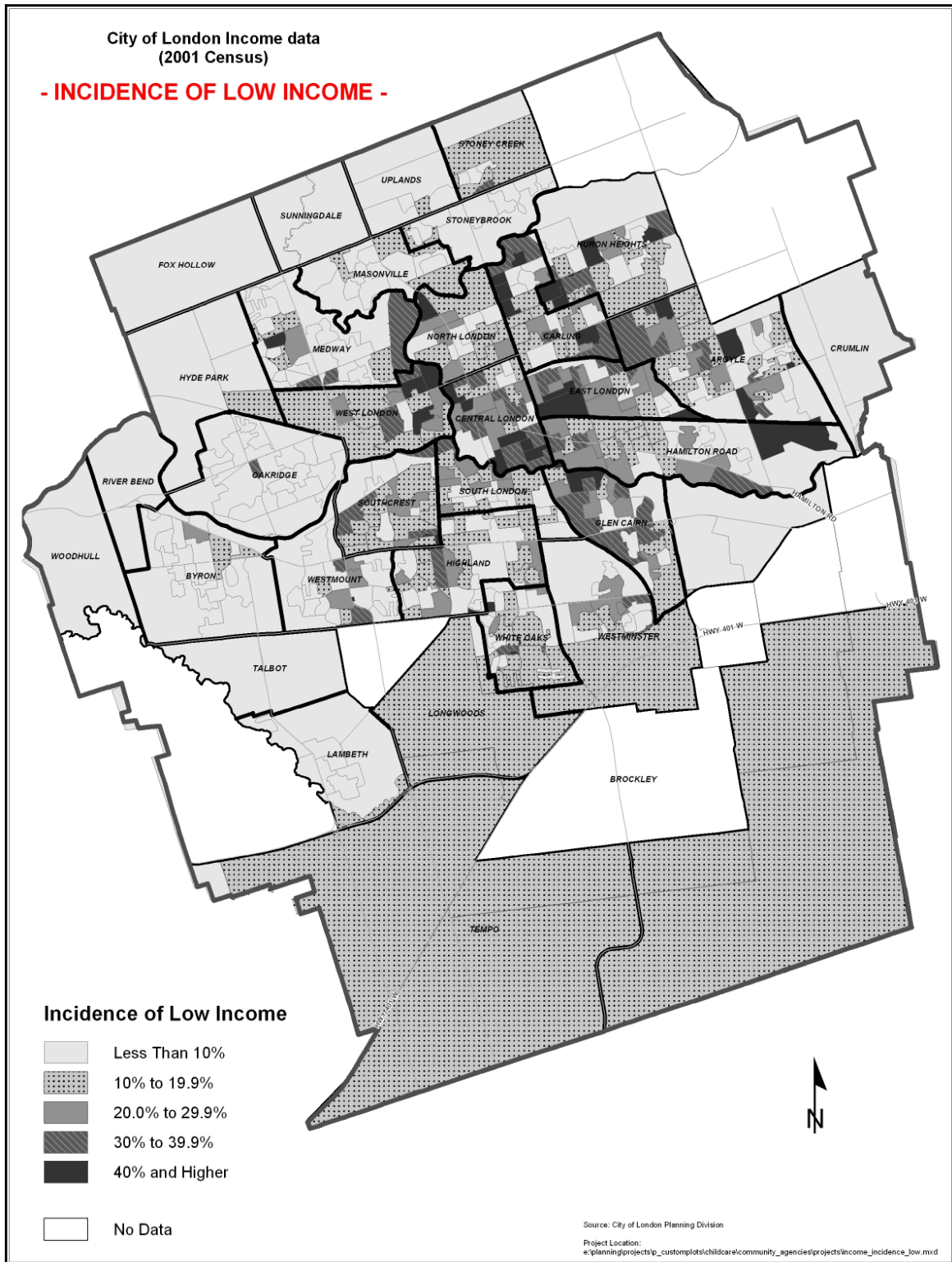
- 50.3% of Londoners with low-income live in neighbourhoods that have low-income rates of less than 20%;
- For all central cities, 29% of individuals with low income live in neighbourhoods that have low-income rates of less than 20%.

These data point to a relatively high level of income mixing at the census tract level. Research suggests that the outcomes for lower-income children living in neighbourhoods that have low to moderately low poverty rates may be better than for low-income children living in neighbourhoods that have higher poverty rates.

Within a census tract, however, there are many smaller neighbourhoods (DAs). It is within these smaller neighbourhoods that we may begin to see definite pockets of high levels of low-income rates. (Figure 8)

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Figure 8: Low Income Levels of Neighbourhoods as Defined by Dissemination Area



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Dimensions of Income Among Households

Reliance on Government Transfers

Households with lower incomes tend to have less employment and, consequently, fewer earnings than do other households. As a result, these households tend to rely to a greater extent on government transfers and income security programs. Given the low benefit levels of income security programs, households relying on income security programs are more likely to have low incomes.

In 2000, the average total income of working age low-income London families (\$14,099) was about one-fifth that of working age London families (\$72,316) with incomes above the LICO for their family size. Earnings account for about 40% of this income (\$5,547) and government transfers account for about 55% (\$7,642). Investments and other income account for the remaining 5%.

The proportion of working age families with low-income increases from 14.7% to 19.6% when employment earnings alone are considered. This means that government transfers are protecting a small proportion of families in London from living with low-income. The labour market, on its own, is not sufficient to protect these families from having low-income.

Income Gap

The gap between the low-income cut off and the average income of low-income families is referred to as the depth of poverty. Cities or regions with similar low-income rates but larger gaps have an overall worse state of low-income compared to those cities with smaller gaps. In London, the income gap between the LICO and the average income of a low-income working age family is \$15,268.

Figure 9: Comparing Overall Low-Income Rates with the Income Gap of Working Age Families by Selected Southern Ontario Cities

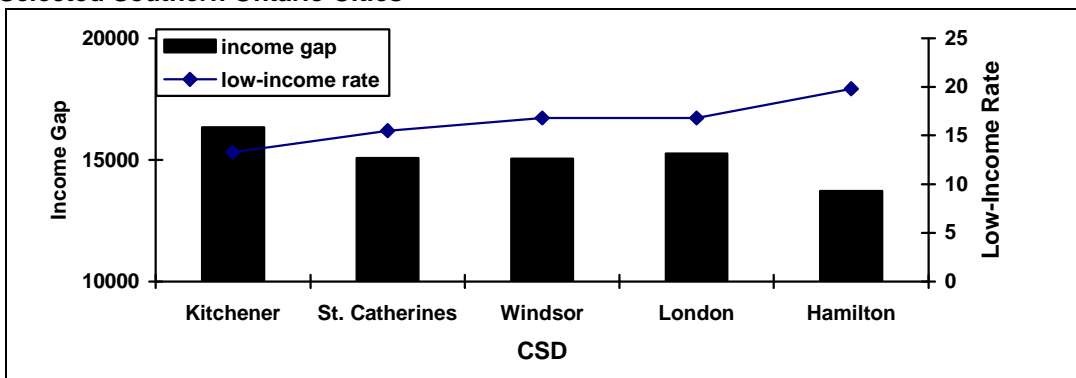


Figure 9 shows that London, Windsor and St. Catharines are similar in terms of both the incidence of low-income and the depth of poverty. Working age low-income families in London are better off than those in Kitchener but are in a worse state than Hamilton's low-income working families.

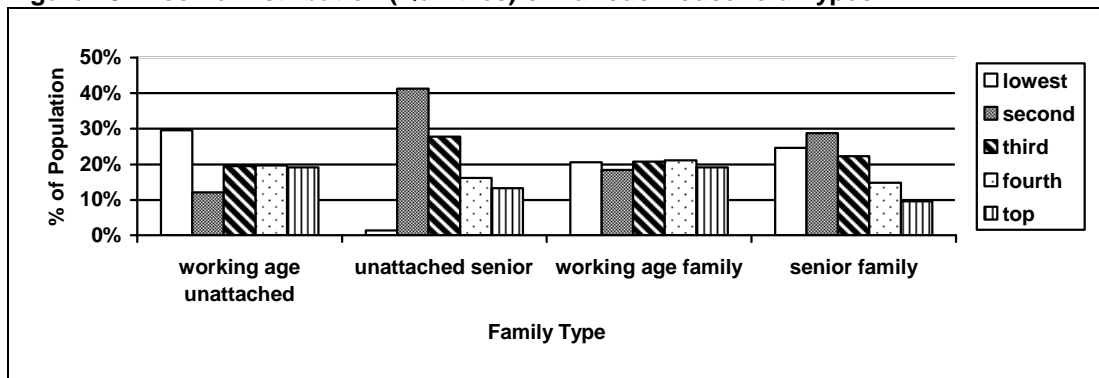
Another type of income gap exists between those with the highest levels of income (the top 20%) and those with the lowest levels of income (the lowest 20%). Single/unattached individuals in the lowest quintile have incomes below \$11,523 while those in the highest quintile have incomes greater than \$44,213 for an income gap of \$32,690. Families in the lowest quintile have incomes below \$32,227 while those in the highest quintile have incomes above \$101,800 for an income gap of \$69,573.

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Figure 10 shows that the distribution of income differs for each household type:

- 52% of senior families have incomes in the lowest two income quintiles
- Approximately 40% of working age singles, families and unattached seniors have incomes in the lower end of the income scale;
- 20% of working age families have incomes that are \$69,573 lower than the 20% that have the highest incomes.

Figure 10: Income Distribution (Quintiles) of Various Household Types



Employment and Education

Educated and Low Income

Working age individuals with less than grade 9 education are over-represented among the low-income population:

- 36% of the working age population in London have less than grade 9 education;
- 46% of the low-income population (working age) have less than grade 9 education;
- One out of five working age individuals have low-income

Education alone is not a guarantee to avoid low-income: the incidence of low-income among the working age population with post secondary education is 11%. Just over 39% of working age Londoners have post secondary certification.

The Urban Poverty Project 2007 concluded that education levels do not explain the differences in low-income rates between cities but that other factors should be examined (such as other demographics like age composition and commuting patterns).

Employed and Low Income

Income and earnings data from the 2001 census show that employment was an important factor in decreasing the likelihood of falling below the LICO. However, a strong attachment to the labour market (i.e. working at least 49 weeks for 30 hours per week or more) was not a complete guarantee that a person would stay above the low-income cut off in London. Although employed people had a lower incidence of low-income, 12.7% of working age adults in London who worked at least 49 weeks in 2000, for 30 hours or more, still lived below the LICO. In Ontario, 38% of children living in low

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income live in a family with a parent who is working in full-time, full-year work and the number of working poor families is increasing across Canada.¹⁵

Figure 11: Employment Activity and Low Income Status

Employment Activity	Distribution of Population	
	Total	Low Income
No annual employment	20%	45.6%
Full time full year employment	44.7%	12.7%

The Urban Poverty Project 2007 identifies that the quality of the local labour market impacts the likelihood of being employed and low-income. A city with fewer full-time and full-year jobs paying enough will have a higher incidence of low-income.

Kitchener’s lower incidence of low-income may be partially due to a higher level of employment activity compared to the other four cities: only 17% of Kitchener’s working age population has no annual employment (compared to an average of 22%), and 50% have full-time, full-year employment (compared to an average of 44%).

Other factors impacting low-income rates include the local mix of jobs, labour market demand, unionization rates and minimum wages. For example, a city with many people employed in low-end service occupations such as temporary, part-time and low-paid work in personal services, retail and the accommodation and food industries may have a higher low-income rate. High levels of employment in clerical, sales, service and labouring occupations may also contribute to higher low-income rates as the incidence of low pay among full-time workers in these occupations was 30% or more.

When we look at the data for the five southern Ontario cities we are comparing, it is curious that London has both the highest proportion of its working age population in high-skilled occupations and the lowest proportion in low-skilled occupations.(Figure 10) This suggests that other factors than London’s occupational mix are contributing to London’s relatively high low-income rate.

It is curious that London has the highest low-income rate among its high-skilled workers. (Figure10). The reasons for London’s high low-income rate among individuals employed in high-skill occupations should be investigated.

Figure 12: Occupation Skill Level and Low Income Status

	Proportion of Population			
	in low-skilled occupations		in high-skilled occupations	
	Total (%)	Low-Income (%)	Total (%)	Low-Income (%)
Kitchener	15.1	27.1	22.1	11.6
St. Catherines	14.9	24.7	22.4	12.6
Windsor	16.1	27.4	20.7	14.0
London	13.8	22.6	27.1	15.8
Hamilton	24.8	24.8	23.5	14.6

¹⁵ Campaign 2000. Child Poverty in Ontario...Promises to Keep. 2006.

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Populations Vulnerable to Poverty

This section of the report profiles four specific groups that are often particularly vulnerable to low-income. Specifically: the presence of disability, Aboriginal status, immigration status and visible minority status.

Persons with Work-Limiting Disabilities

Persons with disabilities have higher low-income rates than persons without disabilities in all of the 46 cities examined in the Urban Poverty Project. Low-income rates for this population ranged from 14% to 46% compared to low-income rates ranging from 7% to 32% for persons without disabilities.

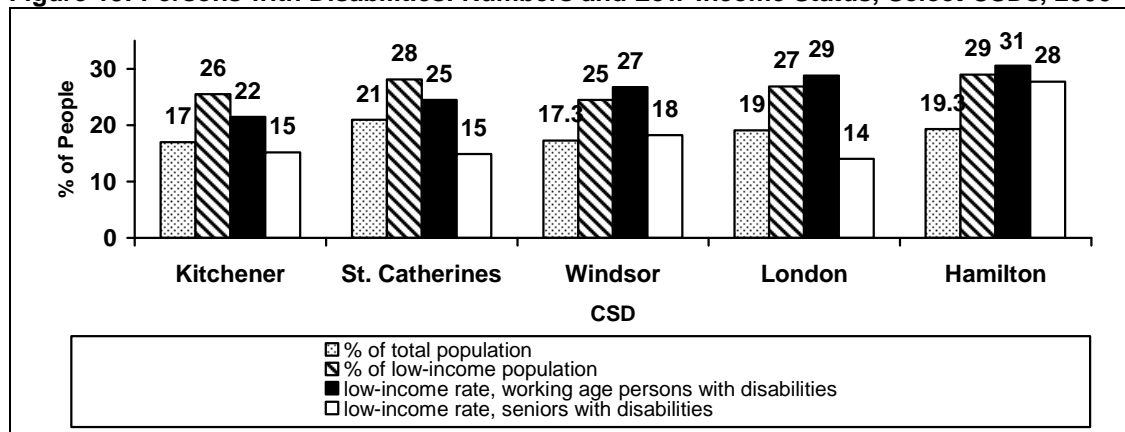
Persons with disabilities are over-represented in the low-income population. This group comprised 10% to 22% of the total population in each of the 46 cities and comprised 15% and 31% of the total low-income population.

In London, 19.1% of the population reported having some type of activity limitation or disability on their census form; 23.6% of this group have incomes below the LICO. Persons with disabilities in London comprise 26.9% of the low-income population.

Of concern for London is that 29% of working age adults with disabilities have low-incomes. This low-income rate is the second highest for this age group among the five Southern Ontario municipalities compared.

Comparatively few seniors with disabilities in London have low-income, suggesting that many seniors with disabilities acquired the disability as they aged, and, therefore have access alternative income sources such as pensions and retirement income that they contributed to when working.

Figure 13: Persons with Disabilities: Numbers and Low-Income Status, Select CSDs, 2000



Lower employment rates for persons with disabilities compared to other Canadians contributes to their higher low-income rate. In 2002, 53% of people with disabilities in Canada were employed compared to 76% of people without disabilities. Some of the factors contributing to this lower employment rate may include lack of access to assistive aids and devices necessary for

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independence. Lack of access to assistive aids and devices and lower education levels may contribute to these lower employment levels.¹⁶

Lower education levels may also contribute to lower employment. Among working-age adults with disabilities (aged 15 to 64), more than a third never completed high school, compared to a quarter of those without disabilities.

While persons with disabilities generally have lower incomes and lower employment rates than persons without disabilities, working age women with disabilities are worse off than working age men with disabilities. The disability rate among women is higher¹⁷ and the earning gap between men and women with disabilities mirrors the earning gap between men and women in general, with women earning 64% of what men earn.¹⁸

Aboriginal Status

Aboriginal people are over-represented among the low-income population and have a very high low-income rate. Aboriginal people in London comprise 1.4% of the total population but represent 3.4% of the low-income population. In London, 41% of Aboriginal people lived with low-income. The proportion of Aboriginal children age 0 to 14 living below the LICO is even higher at 46.5% (compared to 20.4% of all children age 0 to 14). Nationally, 40% of off-reserve Aboriginal children live with low-income.¹⁹ Over half (51.2%) of Aboriginal youth age 15 to 24 live with low income.

London's Aboriginal low-income rate of 41% is much higher compared to other municipalities, Ontario and Canada (ranging from 25% to 34%). The exception to this Hamilton, with an Aboriginal low-income rate of 44%.

Nationally, Aboriginal peoples in 2001 had an unemployment rate that was over twice as high as the general rate and Aboriginal workers earned only two-thirds of an average worker's wages.²⁰

The Aboriginal population in London is growing, increasing by 9.8% from 2001 to 2006. One out of five Aboriginals in London in 2006 are under the age of 14, a 1.4% increase from 2001. The total under 14 years population decreased by 5.3% in this same time period.

The growth in the number of urban Aboriginals²¹, including children points to the very real potential for an increase in the absolute and relative number of Aboriginals living with low-income in our community.

¹⁶ Community Services Department. City of London. City of London Social Policy Framework: Income Security Policy Paper. August, 2006.

¹⁷ Statistics Canada. Physical and Activity Limitation Survey. 2006.

¹⁸ Fournier-Savard. Women with Disabilities. In Statistics Canada Women in Canada 2005. 2006.

¹⁹ Campaign 2000. Needed: A Collaborative Urban Aboriginal Strategy that Works. 2005 Report Card on Child Poverty in Canada

²⁰ Campaign 2000. Needed: A Collaborative Urban Aboriginal Strategy that Works. 2005 Report Card on Child Poverty in Canada

²¹ Some of this growth may be due to an increase in self reporting of Aboriginal status on the Census.

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Contributing factors to this high low-income rate include:

- Lower education levels
- Higher unemployment rates
- Lower average earnings
- Higher likelihood of working in service industry and low-skill occupations
- High mobility levels.

Aboriginal children and youth live with significant challenges and barriers, challenges and barriers that are linked to low-income and these include²²:

- Aboriginal children and youth lack of access to education (from early learning to post secondary) and other opportunities;
- Erosion of family ties, culture and language that could help them grow up with confidence and self-esteem;
- Higher risk across almost all indicators of wellness. Their health cannot be disassociated from that of their families, communities and living conditions. Aboriginal housing is substandard and inadequate at rates disproportionate to that of the non-Aboriginal. Homelessness is more prevalent; and
- Taking many Aboriginal children into care by child welfare authorities. Many Aboriginal children “in care” graduate to the justice system where Aboriginal young women, in particular, are too often victims of crime and where Aboriginal peoples are overrepresented among youth in conflict with the law and in prison.

Recent analysis of Statistics Canada's Youth in Transition Survey suggests that low-income contributes to the relatively poor educational outcomes of Aboriginal youth. In grade 10, school drop out rates for Aboriginal youth increase dramatically. Aboriginal youth are less likely to leave high-school with a diploma or to continue on to higher education than other Canadians. University researchers analysing the income, education and employment outcome data of youth responding to this survey suggest that the need for additional income is an important factor in pulling Aboriginal youth out of high school early.²³

Immigrants

Nationally, almost one quarter (24%) of immigrants live with low-income compared to 16.9% of Canadian-born individuals. Immigrants accounted for 36.7% of Canada's low-income population but made up just under 30% of the total population.

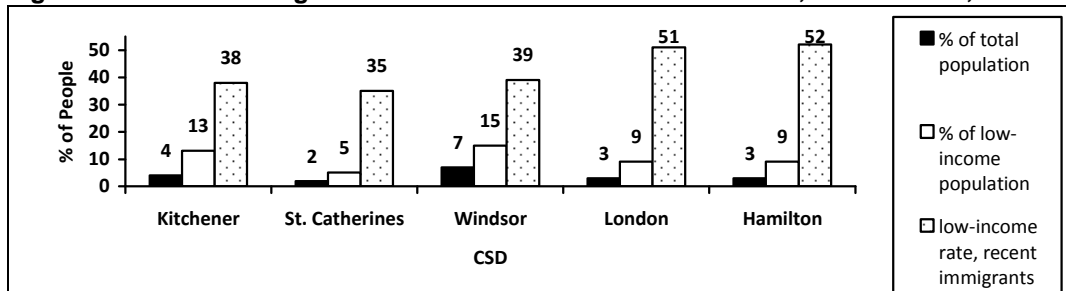
Just over one-fifth (21.4%) of London's immigrants live with low-income (14,790 people). They make up one quarter (26.6%) of London's low-income population. The problem is more significant for recent immigrants (i.e. those who arrived between 1996 and 2001) with just over half (51%) living with low incomes.

²² National Council of Welfare. First Nations, Métis and Inuit Children and Youth: Time to Act. 2007.

²³ Maxim, P. School Completion and Workforce Transitions Among Urban Aboriginal Youth. Presentation at University of Western Ontario. September, 2007.

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Figure 14: Recent Immigrants: Numbers and Low-Income Status, Select CSDs, 2000



While London is not out of line with its overall immigrant low-income rate, the low-income rate of our recent immigrant population is very high. Out of twenty cities, London's immigrant low-income rate ranked eleventh; however, only Hamilton, Richmond, Burnaby and Montreal had higher low-income rates among recent immigrants. Given London's growing recent immigrant population (27% increase in 2006 compared to 2001); the magnitude of this problem can be expected to increase without action.

Recent immigrants in low-income are more likely to be part of a "working poor" family in comparison with other low-income Canadians.²⁴ One third of recent immigrants (many of which are children) will live in low-income for three years (i.e. experience persistent poverty).²⁵

The high low-income rate for recent immigrants in London may be partially due to a lack of labour market success. Recent immigrants in London are less present in the labour market and have lower earnings compared to other CMA's in Canada despite being highly educated:²⁶

- Fewer recent immigrants had any employment in 2000. The proportion employed is the lowest of all the twelve CMA's studied.
- Fewer recent immigrants had full-time/full year employment in 2000. Again, London ranked at the bottom of the CMA's that were studied.
- More full-time/full-year employed immigrants earned \$20,000 or less in 2000. London ranked fifth out of 12 CMA's in this area (i.e. 7 other CMA's had higher proportions earning less than \$20,000).

National level research suggests that systemic and racial discrimination may contribute to the poor labour market outcomes for recent immigrants, particularly as more immigrants are visible minorities than in previous immigration periods. Barriers to immigrants entering the labour force include:

- Lack of social networks in the job market (5%)
- Lack of available jobs (8%)
- Language problems (22%)
- Difficulties transferring foreign qualifications (24%)
- Lack of job experience in Canada (26%).²⁷

²⁴ Human Resources and Social Development Canada. A Study of Poverty and Working Poverty among Recent Immigrants to Canada. August, 2007.

²⁵ Association of Canadian Community Colleges, Citizenship and Immigration Canada, Human Resources and Social Development Canada. *Emerging Trends in Canadian Immigration*. August, 2007.

²⁶ Association of Canadian Community Colleges, Citizenship and Immigration Canada, Human Resources and Social Development Canada. *Emerging Trends in Canadian Immigration*. August, 2007.

²⁷ Statistics Canada. Longitudinal Survey of Immigrants to Canada. 2001. As presented Derek Holt, RBC Financial Group to the London/Middlesex Immigrant Employment Task Force. January 25, 2008.

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Of significant concern for immigrants is the fact that “unlike the situation for previous generations of immigrants, the initial earnings gap that accompanies the process of immigration is not narrowing as quickly as in previous decades, even after the normal period of adjustment to the Canadian labour market”.²⁸ Given that recent immigrants tend to be better educated than previous immigrants and given the improved economy, it is disturbing that recent immigrants have not seen improvements in their economic well-being.

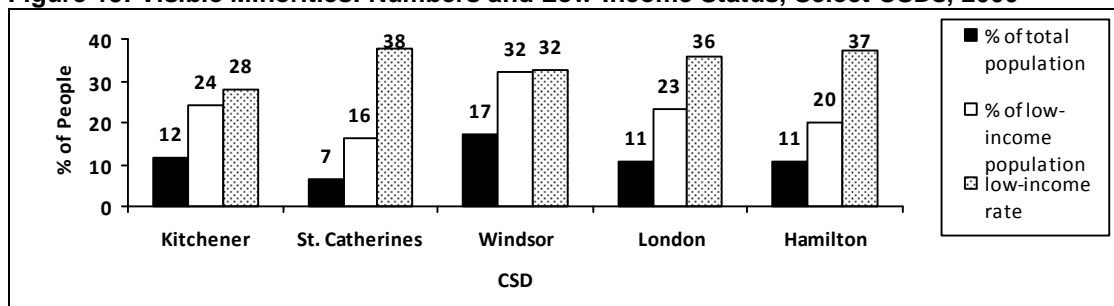
London’s future population and economic growth is dependent on immigration and the inclusion of new Canadians, many of whom are visible minorities, in our labour force. New Canadian families that are unable to obtain well-compensated work in London may choose to leave, draining London of many trained and skilled workers. Ultimately, London’s ability to attract business may suffer.

However, economic integration is not enough to address the poverty experience of recent-immigrants. A focus on participation and interaction in areas such as education, recreation, culture, social programs, and integrated neighbourhoods is also needed.²⁹

Visible Minority Status

The number of visible minorities residing in London increased by 27% between 1996 and 2001. This growth is largely attributable to growth in immigration. Visible minorities in London are far more likely than non-visible minorities to live in low-income. Visible minorities in London have a low-income rate of 35.8%, while non-visible minorities have a low-income rate of 14.5%. London is one of nine cities in Canada with a gap of more than 20 percentage points between the low-income rate of visible minorities and the low-income rate of non-visible minorities.

Figure 15: Visible Minorities: Numbers and Low-Income Status, Select CSDs, 2000



Many visible minorities are recent immigrants. For this reason, many of the barriers experienced by recent immigrants are experienced by visible minorities. National research indicates that visible minority populations often face many barriers in the job market which restrict access to permanent, skilled and well-paying jobs. They are overrepresented in low-paying occupations and underrepresented in the better paying and more secure jobs such as management and professional fields. According to the Urban Poverty Project 2007, even when education is taken into account, “more than one of every five visible minority immigrants with a university education was found in...the poorest 20% of Canadians” indicating that visible minority groups are unable to translate their skills and education into proper compensation, due in no small part to ethnic and racial discrimination” (p. 35).

²⁸ Canadian Council on Social Development. Urban Poverty Project. “Populations Vulnerable to Poverty”. P. 24.

²⁹ Association of Canadian Community Colleges, Citizenship and Immigration Canada, Human Resources and Social Development Canada. *Emerging Trends in Canadian Immigration*. August, 2007.

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Age, Gender and Family

Age

Children and youth are overrepresented among the low-income in cities. While they made up 32.2% of the total population in the 46 selected cities, they accounted for 39.4% of all residents who were poor.

Children and youth under the age of 25 make up 34% of London's population and 45% of the low-income population. One out of five children age 14 and younger, and one out of four youth age 15 to 24 live with low-income.

London's low-income rate for children age 0 to 14 ranks it 25th out of 46 (i.e. 24 CSDs have lower low-income rates). London ranks 29th for youth and 3rd for seniors.

Figure 16: Population and Low-Income Figures by Age Group



Not only do many children and youth live with low-income, many are likely to live with low-income for a significant period of time. In Ontario, 77% of children under the age of 18 living with low-income are there for two to six years.³⁰ This is often referred to as “persistent poverty”.

The overrepresentation of children and youth among the low-income seems to reflect the economic difficulties that young adults and families with children face. The under-representation of the working-age population reflects the importance of employment in preventing low-income – those who are in their prime “earning years” are the least likely to be low-income.

Research shows that living with low-income disadvantages children and youth, and may be associated with poor health and less success in school. Persistent poverty results in more health, emotional, and behavioural difficulties for children, in addition to increased involvement with the legal justice system compared to children who do not live with persistent poverty.³¹

³⁰ Campaign 2000. 2006.

³¹ McCain, M.N, Mustard, J.F., and Shanker, S. Early Years 2 Study, Putting Science into Action. Toronto, ON: Council for Early Child Development. 2007.

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Children and youth living with low-incomes are at-risk for being excluded or marginalized. Life chances with respect to the quality of housing, the safety of neighbourhoods, and the ability of parents to obtain developmentally important opportunities for their children (e.g. educational materials and recreation) are threatened. The consequences of this social exclusion can be devastating for children: they suffer a lack of recognition and acceptance; they feel powerless and voiceless; they are economically vulnerable; and ultimately, they have diminished life experiences and face limited life prospects.³²

This is not to say, however, that children who do not have low-incomes will not have poor outcomes, only that higher proportions of children with lower incomes are vulnerable to these outcomes. Research on outcomes shows that 37% of children in the lowest quarter of family income are considered “vulnerable”, compared to 28.6% in the second lowest quarter, 25.4% in the second highest quarter and 24.2% in Canada’s wealthiest families.³³

Gender

After age 15, it appears that women are more vulnerable to poverty than men and they remain so throughout their lives, with these gender differences becoming more pronounced as women advance through their senior years.

For men, the challenge of poverty appears to be greatest during childhood and early adulthood – up to the age of 24 – after which, their incidence of poverty decreases gradually until they reach ages 45 to 54 and holds steady after that.

For women, poverty rates peaked among those aged 15 to 24. The rate gradually declined to a low of 14.3% among those aged 45 to 54, then increased dramatically within each subsequent age group (poverty rates of 18.2%, 21.3% and 30.6%) – meaning that the incidence of poverty for women aged 75 and older was 2.1 times that of women aged 45 to 54.

In London, 18% of women and 15% of men live with low-income. Single women age 65 and over have a low-income rate of 32% compared to a low-income rate of 23% for single senior men.

The situation is worse for women within each of the subgroups with high low-income rates (families, particularly lone parent families, recent immigrants, visible minorities, Aboriginal and individuals with disabilities). Women in these high low-income rate groups have higher low-income rates than do the men of these groups.

Women who are employed earn less than men. According to Statistics Canada, in 2003, women earned 71% of what men earned – a wage gap that has persisted for a decade.

Women living with low-income are often caring for children. The low-income experience of women, therefore, immediately impacts their children. For example, the reality of living with low-income may prevent women from leaving a family situation that is abusive. The effects of domestic violence on children, whether it is experienced or witnessed are equally devastating.³⁴

Unlike men, as women age, the likelihood of living with low-income increases. Access to housing that is affordable and that provides the supports and services needed becomes increasingly difficult, particularly for senior women who are unattached.

³² Social Inclusion Research in Canada: Children and Youth. 2003.

³³ Dr. D. Willms. Vulnerable Children, as outlined by Investing in Children, February 6, 2004

³⁴ United Way of London and Middlesex. “Protecting Children is Everybody’s Business: Investigating the Increasing Demand for Service at the Children’s Aid Society of London and Middlesex”. October, 2003.

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Family

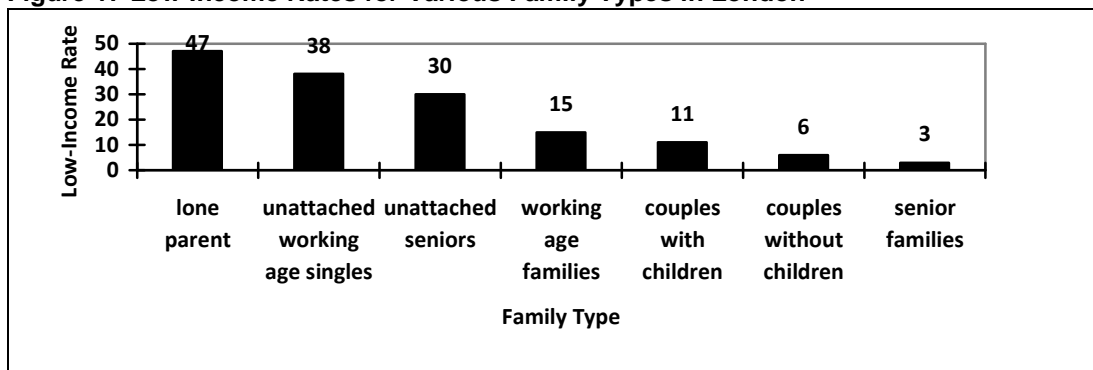
Child poverty is not independent of family poverty. The financial stress experienced by families living with low-income has contributed to the doubling of the number of children served by the Children's Aid Society (CAS) – almost double the number of children admitted to CAS care in 2001 were living in low-income compared to 1995.³⁵

The low-income rate for families is lower than that of single individuals: 13% of economic families in London live with low income. This rate is consistent with the national average and one percentage point higher than Ontario's rate (12%). In 2001, there were 7,965 families with children under the age of 18 living with low-income.

One in six (15%) of London's working age families live with low-income. This is higher than both the provincial and national averages (13% and 14%, respectively).

Low-income rates vary by family type. Lone parent families, unattached singles and unattached seniors have higher low income rates compared to other family types. Families with children have higher low-income rates than families without children: 11% of couples with children have low-income and 47% of lone-parents live with low-income. Families with children comprise 68% of all low-income families.

Figure 17 Low Income Rates for Various Family Types in London



Lone Parents

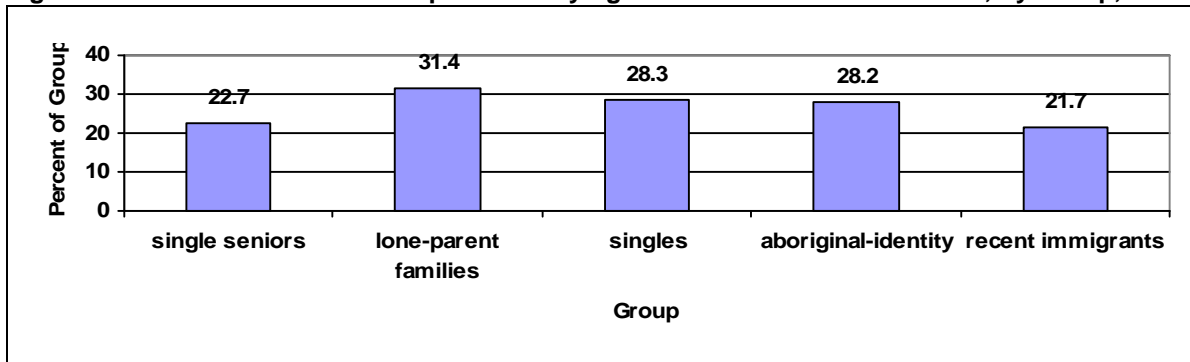
In 2001, 9,510 lone parent families lived in London. The majority (85.5%) are headed by women. Almost half (47%) of lone parents with children under the age of 18 live with low-incomes. Low-income lone parents make up 38% of low-income families.

Families living with low-income must often choose to “pay the rent or feed the child” as their shelter costs consume a large proportion of their monthly income. Many lone parent, Aboriginal identity, and recent immigrant families pay more than 50% of their income on rent. (Figure 18)

³⁵ United Way of London and Middlesex. “Protecting Children is Everybody’s Business: Investigating the Increasing Demand for Service at the Children’s Aid Society of London and Middlesex”. October, 2003.

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Figure 18: Percent of London's Population Paying 50% or More Income on Rent, by Group, 2001³⁶

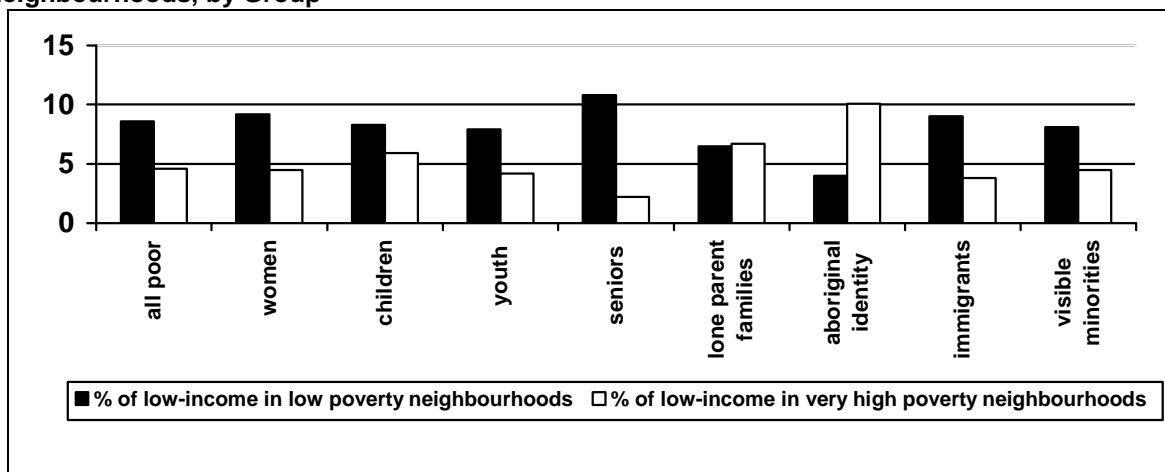


The Ontario Hunger Report (November, 2007) reports that over 15,000 Londoners are served by food banks each month. This ranks London as fourth highest of selected municipalities with Toronto, Ottawa and Hamilton serving more individuals. Almost half of the people served by the London Food Bank in 2006 were children and an average of 107 children per month stayed in an emergency shelter.

Neighbourhood Poverty

While some groups are at a greater risk of poverty overall (recent immigrants, Aboriginals, individuals with disabilities), location also plays a role. Poverty-level incomes can be more highly concentrated in select neighbourhoods within the city. This may have a negative impact on residents of these neighbourhoods as it may translate into fewer opportunities and resources being available. Alternatively, it has been argued that residents living with poverty-level incomes may feel out of place in a higher-income neighbourhood. While this debate has not been resolved, there is preliminary evidence that suggests that children living with low-income may be slightly better off living in a higher income neighbourhood.³⁷

Figure 19: Proportion of Low-Income Population Living in Low and Very High Poverty Neighbourhoods, by Group



³⁶ Federation of Canadian Municipalities. Quality of Life Report. 2004. Locally developed fact sheets.

³⁷ Canadian Council on Social Development. Urban Poverty Project 2007. "Neighbourhood Poverty: Urban Poverty in Canada 2000".

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Figure 19 shows that less than 10% of individuals with low-income live in a neighbourhood with a low-income rate of more than 40%. Only 5 out of 100 individuals with low-income live in a neighbourhood with a very high low-income rate. The data also shows that an individual with low-income is more likely to live in a neighbourhood with a low low-income rate than to live in a neighbourhood with a high low-income rate. This is true for most groups, except Aboriginal Identity Londoners and lone parent families:

- Low-income Aboriginal Identity Londoners are more likely than other groups to live in neighbourhoods with a very high low-income rate:
 - One out of ten low-income Aboriginal Identity Londoners live in neighbourhoods with a high low-income rate.
 - 4% live in neighbourhoods where less than 10% of residents have low incomes.
- Similar proportions of lone parent families live in low poverty and high poverty neighbourhoods:
 - Almost 7% of lone parent families with low-income live in neighbourhoods where the low-income rate is over 40% and another 7% live in neighbourhoods where less than 10% have low-income.

Neighbourhoods make a difference. Neighbourhoods with high low-income rates may have higher mobility rates, poorer housing conditions, and higher crime rates. They may have fewer amenities and services. The neighbourhood environment that a child grows up in has a significant impact on his or her developmental outcomes. People, particularly children, with low-income living in these neighbourhoods may be disadvantaged compared to people with low-income living in neighbourhoods where relatively fewer are living with low-income:

- Children who live in neighborhoods where adults have limited access to resources (both financial and psychosocial) will be more limited in their social and emotional development;³⁸
- Children living in poorer neighbourhoods had more weight gain than those living in more well-off neighbourhoods.³⁹

Research from the National Longitudinal Survey of Children and Youth and Investing in Children Initiatives finds that:

- Social support, social capital and use of community resources are important protective factors for at-risk children above and beyond the effects of family socio-economic status and practices:
 - Children in families that receive a higher level of social support are less likely to be at-risk in the cognitive domain;
 - Families that make use of various recreation, educational and leisure facilities have children with better cognitive scores;
 - Living in a neighbourhood with a high level of social capital is associated with an increase in the odds of a positive outcome for children in the behavioural domain.

³⁸ Human Early Learning Partnership. Understanding how Neighbourhood Context Influences Early Development. March, 2006.

³⁹ Oliver, L; Hayes, M. "Effects of neighbourhood income on reported body mass index: an eight year longitudinal study of Canadian children". BMC Public Health. 2008, 8:16.

SECTION 4: CAUSES OF POVERTY

Macro Level

In the last quarter of the twentieth century, Canada as well as many other western industrial nations went through some radical transformations, influenced by two major forces--one economic, the other political.

Economic Trends

The Canadian economy has been shifting away from a structure based on manufacturing to one dependent on information processing, and from one dependent on domestic resources to one increasingly operating in a global environment. This development has influenced many aspects of Canadian society, but particularly its occupational structure and income distribution.

An increased polarization of the Canadian labour market into high-skilled, high-paying jobs on one end of the spectrum, and low-skilled, low-paying jobs on the other end has occurred. With massive reductions in the manufacturing-based economy, large numbers of low-to-medium skilled, well-paying jobs have been permanently lost.

Most of these manufacturing jobs had been full time, unionized jobs that did not require overly high educational/skill levels, paid relatively well, and provided a broad range of benefits. While these types of jobs still exist today a fundamental problem is there are simply far fewer of them. The new economy does have a significantly larger service industry; however these jobs are often part time, low wage and generally not unionized.⁴⁰

For those individuals who are not highly skilled, the prospect of finding a full-time, high-paying employment in today's competitive job market has become increasingly bleak. For many of these individuals the reality becomes low-paying sporadic employment, unemployment and/or reliance on social transfers.

In an era marked by transition from a "pyramid" to an "hourglass" shaped socio-economic structure, a larger number of individuals have found themselves at the lower level of occupational structure and income scale.⁴¹ Canada's growing income gap and the persistently high low-income rates for particular groups is evidence of the impact of this shift. Within the context of a hourglass economy, the transition from the bottom end to the top end is not so much a "step up" as it is a "leap" across.

While the upskilling/reskilling thesis suggests that the transition from a manufacturing-based to an information-based economy produces an upskilled labour force through reskilling this appears to be

⁴⁰ Between 1976 and 1998, the proportion of manufacturing jobs in Canada declined from 20.1 per cent of all jobs to 14.6 per cent. Conversely, the service sector, which is the largest industrial sector in Canada, experienced growth over the same time period, with the proportion of service jobs increasing from 63.1 per cent of all jobs to 71.1 per cent. Refer to Kevin Lee, Urban Poverty in Canada: A Statistical Profile, Canadian Council on Social Development (April 2000). Less than half of non-unionized workers have access to employer-sponsored benefits and pensions D. G.Tremblay . Unemployment and Transformation of the Labour Market: Issues of Security and Insecurity. Paper given at The Social Determinants of Health Across the Life-Span Conference, Toronto, November 2002.

⁴¹For some critical comments on the hourglass economy thesis refer to Pauline Anderson, Stuck in the Middle of a Metaphor: Intermediate Occupations and Some Limitations of the Hourglass Thesis, University of Strathclyde Glasgow, no date.

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more prescriptive than descriptive of the new realities of the labour market.⁴² The descriptive reality is that technological change is tending to deskill direct productive tasks, while increasing skill levels required in the ancillary tasks of installation, maintenance, and programming.

In the context of popular culture there is resonance in a model that displays an increased polarization between the highly technical “iMacJobs”⁴³ and the low skill “McJobs”⁴⁴.

Political Trends

At a time when the Canadian economy was undergoing historic changes, governments might well have been expected to help soften the impact of economic restructuring and globalization⁴⁵ through the creation of innovative social programs or increased spending on existing programs. In the political arena, a new wave of conservatism was coming to the fore typified by Regan in the United States and Thatcher in Great Britain, popularly termed the New Right.⁴⁶

Basic economic policies of the New Right included:

- Deregulation of business;
- Privatization of state owned business;
- Elimination of trade barriers;
- Reduction/dismantling of the welfare state; and
- Restructuring the national workforce in order to increase industrial and economic flexibility.

The adoption of such policies was typified federally in Canada under Mulroney and provincially under Kline (Alberta) and Harris (Ontario). In an effort to be more competitive in a global market, federal and provincial governments during the 1990’s offered regulatory changes and tax credits that promoted business while making cuts in social spending and restructuring entire sections of the social safety net. The structural changes resulted in further marginalizing those individuals with low-income and in creating a larger population vulnerable to be “working poor”. The very people who were most negatively affected by the new structural causes of poverty in Canada, and who needed the most help, now had fewer resources available than ever before.

Despite having dynamics of their own, these two trends-- economic and political--have converged in at least one area, eroding the middle class and generating a bipolar structure in the economy, job market, and income distribution.

⁴² Refer to Duncan Gailee, “Patterns of Skill Change: Upskilling Deskillling or the Polarization of Skills,” *Work, Employment and Society* Vol. 5 No. 3 pp. 319-352, 1991 and Peter Cappelli, “Are Skill Requirements Rising? Evidence from Production and Clerical Jobs,” *Industrial and Labor Relations Review*, Vol. 46, No. 3, pp. 515-530, Apr 1993.

⁴³ Tompson, et. Al., Ignorant Theory and Knowledgeable Workers. *Journal of Management Studies*. Vol 38, No 7, 2001.

⁴⁴ G. Ritzer, *The McDonaldization Thesis: Explorations and Extensions*, London, Sage Publications Ltd., 1998

⁴⁵ For a discussion of how the Canadian government succumbed to pressure from globalizing institutions such as the International Monetary Fund to grant greater power to the private market and make structural adjustments that would reduce spending on social programs refer to The Ecumenical Coalition for Economic Justice, Toronto

⁴⁶ Correctly termed neo-liberalism it is fundamentally a political movement that vales economic liberalism as a means of promoting economic development and securing personal liberty.

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Summary

At a macro level a range of forces are responsible for setting the context of poverty in Canada:

- The decline of the social welfare state, which supported progressive tax structures, and social and employment programs to protect workers, families and people who needed assistance;
- The rise of transnational corporations that pressure governments and businesses into reducing costs and maximizing profits often at the expense of the individual worker;
- The decline of institutional and government structures that mitigated against social exclusion and conflicts between business and labour;
- The growth of market-driven political ideologies that see the individual as responsible for his or her place in the market economy and a reduced role for governments to provide social protection for individuals and groups that require assistance; and
- The recessions of the early '80s and '90s, which led to the systematic cutting of budgets and rapid policy changes in the health, social and education sectors, in order to reduce deficits.⁴⁷

Micro Level

There are many factors that combine to keep individuals from realizing their full potential. Some of these are causes of poverty and some may be interpreted as consequences of poverty; but most have relevance to both “cause” and “effect.”

For example a lack of “marketable skills” will limit an individual’s employment options and subsequent income potential and may be viewed as a potential cause of poverty. An individual living in a state of poverty may face barriers such as the ability to pay for skills training or the lack of access to transportation to access skills training and as such a lack of marketable skills may also be an effect of poverty.

Income, Education, Employment

Income Trends

Income is derived from three primary sources:

- Earnings in the form of wages, salaries and self-employment income;
- Government transfer income in the form of benefits received from any level of government, such as Employment Insurance (EI), Social Assistance (SA), Ontario Age Supplement (OAS)/Guaranteed Income Supplement (GIS) and Canada/Quebec Pension Plan benefits;
- Other income in the form of monies garnered from any other source, such as private investments or pensions.

Between 1997 and 2000, Canadians enjoyed increases in personal incomes as a result of higher levels of employment (particularly among full-time workers) and wage growth. However, the low-income rate among all Canadians-with the notable exception of seniors-is still higher than it was in pre-recession 1989.

⁴⁷ Refer to Peggy Edwards, ed., The Social Determinants of Health: An Overview of the Implications for Policy and the Role of the Health Sector, York University Conference on “Social Determinants of Health Across a Life-Span” 2002

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The failure to reduce low-income levels to at least 1989 levels points to the trend of growing income inequality in Canada. The gap between the LICO and the average income of low-income families or persons - increased over the last decade, even as the economy boomed.

Incomes have become more polarized. Taxes and transfers have helped to offset this growing inequity; however, the pattern of increasing disparity is still evident when looking at after-tax income. For example, the income share of the bottom 20% of families in 2000 from earnings and investments was 2.8%, compared to 45.1% among top quintile families - that is, 16.1 to 1. After transfers and taxes, the income share of the bottom quintile was 7.3%, compared to 38.8% - a ratio of 5.3 to 1.⁴⁸

There are strong positive relationship between income and education, and income and employment.

Education and Income

The more education an individual has, the less likely they are to live with low-income. On average, the low-income rate among persons with a post-secondary degree or certificate is 15.9 per cent. The rate among persons with less than a high school certificate is almost double that, at 29.6 per cent.⁴⁹ At the same time, individuals with low-incomes are less likely to pursue post-secondary education.

The Ontario Literacy Coalition draws the connection between low-income, low education, low literacy, and exclusion citing that:

- People with lower literacy levels are more likely to have lower education;
- People with low levels of literacy tend to have lower than average incomes;
- People from low-income families tend to have low rates of literacy;
- The long term unemployed, seniors, aboriginals, prisoners, people with disabilities and racial and cultural minorities have higher rates of low literacy and low-income;
- People with literacy challenges have fewer choices in employment, housing, education and other elements required to lead full lives (i.e. social exclusion); and
- Individuals with low-literacy are less likely to vote.⁵⁰

The cycle of low literacy/low skills and low-income is an ongoing challenge as there are many barriers which prevent individuals from accessing literacy and skills training including:

- Costs of childcare and transportation;
- Conflict with employment activities;
- Health;
- Family needs;
- Stress/Lack of confidence;
- Absence of the required programs/services; and
- Many skills programs require a higher level of literacy or language skills than the individual currently possess.

⁴⁸ Kevin K. Lee, Urban Poverty in Canada A Statistical Profile, Canadian Council on Social Development, Ottawa, April 2000

⁴⁹ Kevin K. Lee, op.cit.

⁵⁰ Ontario Literacy Coalition, Literacy Facts: Poverty and Literacy , August 2003

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Employment Activity and Income

In general, the low-income rate decreases with increased employment. Among individuals with no employment, 46.2 per cent were poor. Among those with full-time, full-year employment, 7.5 per cent were low-income. However, these figures also indicate that even full-time, full-year employment was not enough to keep some individuals out of low-income, and conversely, that not all individuals without employment were low-income.

The higher the occupational skill level, the less likely an individual is to be low-income. On average, 25.9 per cent of low-skilled workers were low-income, compared to 11.0 per cent of high-skilled workers. These figures show that not all low-skilled workers were low-income, nor were all high-skilled workers immune to low-income. It is of note that London has a comparatively high proportion of low-income workers in high-skill occupations.

The growing polarization in the labour market contributes to an increased proportion of both high-skilled and low-skilled jobs, thus eroding the supply of jobs in between. High-skilled occupations are more likely to be marketable, have better remuneration, and be associated with higher job satisfaction than are low-skilled jobs. Low-skilled occupations are more likely to pay minimum wages, which are insufficient to keep many workers' families out of low-income. For example, a two-person family living in a large Ontario city would need a total of 80 weeks of minimum-wage employment per year to stay above the LICO.⁵¹

Other Causes of Poverty

Beyond the "trinity" of income, employment and education, there are a number of other factors that fit as both "causes" and "effects" of low-income.

Lack of Affordable Housing

In the 1990's, the federal government and most provinces stopped providing social housing. At the same time, many provinces reduced social assistance rates (by as much as 22% in one province). This has led to a housing crisis among renters and the growing ghettoization of residential neighbourhoods in large cities.

A lack of adequate, affordable housing can aggravate other problems associated with low-income. Individuals and families who are forced to spend a disproportionate amount of their income on rent often face food insecurity and are unable to participate in healthy community activities such as active recreation and children's social programs. There is little or no money left for transportation to work and for clothing and school supplies.

Closely tied to a lack of affordable housing is the issue of substandard housing. In an effort to balance affordability and availability individuals and families are often forced to accept housing which is substandard requiring maintenance and repairs and usually generating higher utility costs such as heating. Substandard housing is also tied to a variety of health issues.

Using longitudinal data from the National Child Development Study to examine the link between housing and health, researchers found that housing played a significant and independent role in health outcomes. Greater housing deprivation showed:

⁵¹ Kevin K. Lee, op.cit.

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- A relationship to severe/moderate ill health at age 33;
- For those who experienced overcrowded housing conditions in childhood to age 11, there was an increased likelihood of experiencing infectious disease;
- In adulthood, overcrowding is linked to an increased likelihood of respiratory disease.⁵²

Research has also pointed out that lack of affordable housing and/or reliance on substandard housing has a detrimental impact on mental health, serving as a contributory and exacerbating factor to a variety of conditions.⁵³

Food Insecurity

The 1998/99 National Population Health Survey revealed food insecurity among 10.1% of Canadian households, representing 3 million people, including 678,000 children. The odds of reporting food insecurity increased with declining income and reliance on social assistance. Prevalence was greatest among lone mothers with children.

In the 1994 National Longitudinal Survey on Children and Youth, families headed by single-mothers were eight times more likely to report that their children were hungry, compared to other families. Children from families receiving welfare were 13 times more likely to experience hunger than non-welfare families.

Food insecurity is closely tied to lack of affordable housing. After meeting high fixed costs such as rent and utilities there is often insufficient funds remaining for purchasing adequate food stuffs.⁵⁴

Health

There is a direct connection between health and low-income. Individuals living with low-income are more likely to experience declining health than are individuals living with higher incomes. People who are in poor health generally have less ability to earn employment income, less ability to participate in educational and training opportunities and they must also spend more money addressing their health care needs.⁵⁵

Inadequate nutrition in childhood, itself an effect of low-income, undermines the ability of individuals to develop their full human capabilities and thus makes them more vulnerable to low-income as adults.⁵⁶

⁵² Refer to Marsh *et. al.*, Home Sweet Home? The Impact of Poor Housing on Health, Bristol The Policy Press, 1999

⁵³ Canadian Mental Health Association, Housing Health and Mental Health, May 2004

⁵⁴ Refer to Peggy Edwards, ed., The Social Determinants of Health: An Overview of the Implications for Policy and the Role of the Health Sector, York University Conference on "Social Determinants of Health Across a Life-Span" 2002

⁵⁵ Refer to Shelley Philips, The Impact of Poverty on Health A Review of the Literature, Canadian Institute for Health Information, June 2003.

⁵⁶ Edwards, op. cit.,

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Child Care

Access to affordable, high quality early learning and child care programs promote children's well being while enabling their parent(s) to earn income or participate in educational or training opportunities. The lack of a universally accessible system of early learning and child care services in Canada serves as a factor contributing to and perpetuating low-income.

In 2006 there were only enough regulated child care spaces for 17.2% of children aged 0-12 in Canada - about 1 in 6 children. Almost 45% of these spaces are in Quebec, the only province with a universal type of child care program. The cancellation of federal funding agreements in 2007 has slowed the expansion of child care spaces in many provinces. It is reported that parent fees can range up to \$12,000 a year. Out of 14 OECD countries, Canada spends the least amount per capita on early learning and child care programs.⁵⁷

The challenges faced by single or lone parents are more complex as noted in a report focusing on lone parents and attachment to the labour force. Key findings included:⁵⁸

- The availability of subsidized regulated daycare was central to the ability of lone mothers to obtain and sustain paid employment;
- Although lone mothers could not participate in the labour force without child care, it was not a sufficient support on its own to allow them to remain in the paid workforce. Other supports were necessary, including supportive work environments, family and friends who can lend emotional and physical support, affordable housing and other supports in the community including recreation and transportation; and
- Aspects of the child care system proved to be problematic such as getting a subsidy was complicated and bureaucratic. Once qualified for a subsidy the waiting list for a subsidized space was long and childcare arrangements do not meet the needs of many individuals who work irregular hour/days or have sporadic employment

Children and Basic Education

Public schools in Canada are under stress due to budget cutbacks, labour conflicts, and increased needs for special education, and language and cultural diversity. Failure to respond to these challenges puts public schooling at risk. This, in turn, endangers the health of Canadians and the well-being of the social structure.

Disadvantaged children and youth do not perform as well in school as advantaged young people. For Aboriginal people, rates of high school graduation and attendance at post-secondary schools are well below the rest of Canada. Children in low-income families are more likely to exhibit developmental delays and delinquent behaviours. Relative level of disadvantage is also important. Societies with larger gradients in socioeconomic status are more likely to encounter developmental problems in disadvantaged children.⁵⁹

⁵⁷ Campaign 2000, 2007 Report Card on Child and Family Poverty in Canada, Toronto,

⁵⁸ Robin Mason, Stacking the Deck: The Relationship between Reliable Childcare and Lone Mother's Attachment to the Labour Force, Campaign 2000, June 2001

⁵⁹ Edwards op. cit.

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Affordable Public Transportation

The lack of affordable transportation is both a cause and effect of low-income. Affordable transportation is fundamental to an individual's ability to access educational/training and employment opportunities and to obtain goods and services at competitive prices.⁶⁰

Individuals living with low-income also face a complex tradeoff between place of residence and mode of transportation. For example an individual may choose to live in an area poorly served by public transit due to lower shelter costs.

The lack of affordable public transportation both within a community and to areas outside of the community compromises social inclusion.⁶¹

Crime

Low-income is a significant risk factor for involvement in criminal activity. While research concerning the relationship between low-income and crime does not show that low-income causes crime, Canadians living with low-income are over-represented in the offender population. The socioeconomic difficulties faced by those living with low-income, such as poor nutrition and health, crowded living conditions and child abuse or neglect, may increase the likelihood that an individual will become involved in criminal activity.⁶²

Conversely while crime does not cause low-income as per se it does have an indirect effect. Typically high crime rates will drive residents who can afford to move and businesses out of a particular area. This negatively impacts on the availability of goods and services and potential employment. High crime rates are also tied to lower housing values and an increased incidence of substandard housing.

Individuals involved in criminal behaviour, particularly youth, risk subjecting themselves to other risk factors associated with low-income. A criminal record will limit an individual's employment options. Time spent incarcerated occurs at the expense of educational and employment opportunities.

Recreation

Living with lower income is correlated with lower participation in recreation activities: 49% of children in households with annual incomes under \$40,000 were active in sports, compared with 73% of those in households with incomes of \$80,000 or more.⁶³ Statistics also show that children living in lower income households are less likely to participate in arts and culture activities.

⁶⁰ Refer to the Ontario Council of Agencies Serving Immigrants Submission to the Senate's Standing Committee on Social Affairs Science and Technology, May 2007

⁶¹ Refer to Inclusive Cities Canada Burlington Community Voices Perspectives and Priorities, Part 1, Executive Summary, May 2005

⁶² A Canadian Council on Social Development report on poverty in Toronto Poverty By Postal Code (2004) shows a dramatic deterioration in Toronto over the last 20 years, creating growing pockets of intense deprivation. Recognizing the connection, the city of Toronto has chosen to include social investments as part of its approach to crime prevention. Crime as a factor negatively impacting on poverty is also recognized by the United Nations.

⁶³ Statistics Canada. A Family Affair. Children's Participation in Sports. Canadian Social Trends. Autumn, 2000.

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Cost, knowledge, lack of transportation, and lack of accessible and safe facilities may contribute to lower participation rates.

Recreation helps children to develop healthy bodies, healthy minds and healthy relationships. Participation increases community involvement and has been shown to improve self-esteem and academic performance. The social, economic, attitudinal and systemic barriers faced by children and youth in low-income families that prevent them from participating in quality sports, physical activity, arts and culture experiences hampers positive development.⁶⁴

Social Exclusion

According to Anti-Poverty work done in the United Kingdom, living with low-income is one of the chief causes of social exclusion. While there is no universal definition of social exclusion, it may be characterized by non-participation in social, economic, political and cultural life, and is accompanied by a sense of isolation, a lack of understanding, awareness and respect between different groups of people.⁶⁵ Social exclusion may be described as “a shorthand label for what can happen when individuals, families or neighbourhoods suffer from a combination of linked problems such as unemployment, poor skills, low-incomes, poor housing, high crime environments, bad health and family breakdowns.”⁶⁶ Other possible definitions are the “inability to participate effectively in economic, social, political and cultural life, alienation and distance from the mainstream society”⁶⁷ or “the dynamic process of being shut out from any of the social, economic, political and cultural systems which determine the social integration of a person in society”.⁶⁸ Social exclusion is, in all these versions, presented as a multi-faceted problem. It is related to understandings of poverty which go beyond low income and address the multiple dimensions of deprivation.

The term has become a central tenant in discussions of poverty and poverty reduction particularly within European Union member states with social exclusion being viewed as a cause of poverty, a perpetuator of poverty and an outcome of poverty.

Social exclusion denies some individuals and groups the same rights and opportunities as are afforded to others in their society. Simply because of who they are, certain groups cannot fulfill their potential, nor can they participate equally in society. It hurts them materially making them poor in terms of income, health or education by causing them to be denied access to resources, markets and public services. It can also hurt them emotionally, by shutting them out of the life of their community. Social exclusion causes the poverty of particular people leading to higher poverty rates among certain groups.

Social exclusion serves to perpetuate poverty by denying individuals the opportunities available to others to increase their income and escape from poverty by their own efforts. So, even though the economy may grow and general income levels may rise, excluded people are likely to be left behind, and make up an increasing proportion of those who remain in poverty. Poverty reduction policies often fail to reach them unless they are specifically designed to do so.

⁶⁴ Canadian Parks and Recreation Association. Everybody Gets to Play. A Position Paper. Pulled from the World Wide Web. April 11, 2008. <http://www.cpra.ca/UserFiles/File/EN/sitePdfs/CPRAPositionPaperFinal.pdf>

⁶⁵ Bedford Partnership Board. Social Inclusion/Anti-Poverty Strategy for Bedford Borough. August 2006.

⁶⁶ Social Inclusion Unit, *Social Inclusion Unit: work priorities and working methods*, London, 1997

⁶⁷ K. Duffy, *Social Exclusion and Human Dignity in Europe*, Council of Europe, 1995.

⁶⁸ C. Walker and A. Walker, eds., *Britain Divided: The Growth of Social Exclusion in the 1980's and 1990's*, Child Poverty Action Group, London, 1997.

SECTION 5: WHY DO WE NEED TO ACT?

There are social, economic, legal, political, environmental and moral reasons to take action against poverty including:

- Poverty is linked with other social phenomenon such as crime, unemployment, social exclusion, and ill health all of which undermine the well-being of communities;
- Canada has the resources available to take action on poverty;
- Canadians are deeply concerned about the issue of poverty and believe that government(s) should take action to address the issue;⁶⁹
- Poverty and inequality contribute to resource waste and environmental degradation, for example, through the lack of access to quality housing and other sustainable technologies and products;
- Canada has a political obligation to take action to reduce poverty, as underlined in recent reports by the Standing Senate Committee on Human Rights and the United Nations Committee on Economic, Cultural and Social Rights;
- Canada has a moral duty to address poverty because, quite simply, we have a responsibility to our neighbours in need; a commitment that is deeply rooted in the diverse faith communities in Canada, and in the basic values of all Canadians.⁷⁰ and
- In the absence of action it is clear that poverty will simple not cease on its own.⁷¹

Communities with higher low-income rates may experience higher rates of homelessness and higher use of social services such as food banks and Children's Aid. They may be disadvantaged at attracting economic investment. Communities that do not understand the many complex causes and impacts of poverty may be less tolerant, further stigmatizing and discriminating against individuals, thereby marginalizing and excluding people experiencing poverty from participating in and contributing to community life. Disparities in the social and economic status of groups within a community have a negative impact on the health status of the whole population.

⁶⁹For example a survey of 5,000 individuals and 400 organizations conducted by the National Council of Welfare in 2006 found that 93.1 of respondents agreed that governments should put a higher priority on addressing poverty. Refer to National Council of Welfare, Report on Responses to the Poverty and Income Security Questionnaire, October – December 2006, Ottawa, 2007

⁷⁰For example refer to KAIROS: Canadian Ecumenical Justice Initiatives. www.kairoscanada.org

⁷¹For a discussion on intergenerational poverty refer to Losing Ground The Persistent Growth of Family Poverty in Canada's Largest City, United Way Toronto, Toronto, November 2007

SECTION 6: WHAT CAN WE DO ABOUT POVERTY?

Responsibilities of Government and the International Community on How to Tackle Poverty

In the political arena, the fight against poverty is usually regarded as a social goal and many governments have institutions or departments dedicated to tackling poverty. One of the main debates in the field of poverty reduction is around the question of how actively the state should manage the economy and provide public services to tackle the problem of poverty.

Broad approaches on how to tackle poverty include:

- **Economic Growth:** based on increasing the value of goods and services produced by an economy and generally measured in the annual percentage change in the gross domestic product (GDP). Growth is fundamental to poverty reduction and occurs from both a “trickle down” effect and through progressive distributional changes in asset/income allocation.
- **Free Market:** creation of an economy based on a market in which the prices of goods and services are determined through the mutual consent of buyers and sellers. The role of government is reduced to addressing market failures (e.g. monopolies, oligopolies etc).
- **Fair Trade:** countries face obstacles in trading competitively on international markets due to trade barriers, tariffs and subsidies. A fair trade approach is a market based approach to addressing poverty and promoting sustainability by advocating a fair price for goods as well as social and environmental standards related to their production and distribution.
- **Direct Aid:** governments can directly help those in need through payments on a direct basis (which is the basis for the “modern welfare state” in western countries” or direct/indirect assistance can be provided to those in need by individuals organized into voluntary or non-for profit groupings that are often encouraged/subsidized by the state through tax reductions, grants etc.
- **Development Aid:** most developed countries give development aid to developing countries – the United Nations target is 0.7% of GDP which few countries have met.
- **Improving the Environment and Access:** numerous strategies can be employed to improve the environment and access of those living in poverty including⁷²:
 - Subsidized housing;
 - Subsidized employment;
 - Educational/skills development;
 - Subsidized health care;
 - Facilitating political participation;
 - Reforming labour laws/standards;
 - Reducing governmental regulation and bureaucracy;
 - Reducing in taxation on income, capital;
 - Facilitating access to capital/assets etc

Ultimately while individual governments and the international community collectively support the eradication of poverty as a laudable end the means by which to achieve this end is subject to ongoing and intense debate.

⁷² These strategies are not necessarily complementary to one another.

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Anti Poverty Strategies in International Jurisdictions

United Nations

Worldwide, the fight against poverty is the highest priority for a majority of the countries. The United Nations has set eight Millennium Development Goals that 189 United Nations member states have agreed to achieve by the year 2015. The United Nations Millennium Declaration, signed in September 2000, commits the states to:

- End Hunger: reduce those suffering from poverty and hunger by one half;
- Universal Education: ensure that all boys and girls complete a full course of primary school;
- Gender Equality: eliminate gender disparity in primary and secondary education;
- Child Health: reduce by two thirds the mortality rate of children under five
- Maternal Health: reduce by three quarters the maternal mortality ratio;
- Combat HIV/AIDS: halt and begin to reverse the spread of HIV/AIDS and other diseases;
- Environmental Sustainability: integrate the principles of sustainable development into country programs and policies; and
- Global Partnership: develop open trading and financial systems that are non discriminatory.⁷³

Canada and other developed countries are aiding these efforts and most developing countries have instituted a poverty eradication plan (PEAP) to work towards the targets that have been set.

Although the nature and degree of poverty in Canada and other industrialized countries is starkly different than in developing countries, the government strategies for fighting it are similar – measurable targets, action plans, consultation and reporting.

European Union (EU)

Through the EU Social Protection and Social Inclusion Process, the EU coordinates and encourages member state actions to combat poverty and social exclusion and to reform their social protection systems on the basis of policy exchanges and mutual learning. As such, it underpins the achievement of the Union's strategic goal of sustained economic growth, more and better jobs, and greater social cohesion by 2010.

⁷³ Refer to www.endpoverty2015.org

SECTION 6: WHAT CAN WE DO ABOUT POVERTY?

In the field of poverty and social inclusion consensus has been reached within the European Union about the following key challenges:

- To eradicate child poverty by breaking the vicious circle of intergenerational inheritance;⁷⁴
- To make labour markets truly inclusive;⁷⁵
- To ensure decent housing for everyone⁷⁶
- To overcome discrimination and increase the integration of people with disabilities, ethnic, minorities and immigrants;⁷⁷ and
- To tackle financial exclusion and overdebtedness

The European Union framework does not isolate poverty as an issue on its own but instead views it as being connected to larger economic, social and political issues.

United Kingdom and Ireland

The United Kingdom and Ireland are often used as examples of countries that have successfully reduced poverty and social exclusion and as potential models for the establishment of anti-poverty strategies in Canada.

United Kingdom

In 1999, Tony Blair made the historic pledge to eliminate child poverty in a generation. The goal was to reduce child poverty by 25% by 2005, by 50% by 2010 and to eradicate completely by 2020.

To meet these targets and to reduce poverty and social exclusion more generally in the UK the government enacted a number of laws and implemented a range of initiatives aimed at the factors contributing to poverty including:⁷⁸

- Lack of education and training;
- Low labour market participation;
- Poor working conditions;
- Need for affordable housing;
- Lack of accessible public transport;
- Poor health;
- Involvement in crime; and
- Need for better access to high quality child care

⁷⁴ Refer to Child Poverty and Well Being in the EU Current Status and Way Forward, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunity, January 2008.

⁷⁵ Two key studies are currently underway: Financial Services Provision and the Prevention of Financial Exclusion and an impact assessment of EU basic requirements on measures to promote the integration of persons excluded from the labour market.

⁷⁶ Refer to Measurement of Homelessness at the European Union Level, European Commission, Employment, Social Affairs and Equal Opportunity DG, January 2007

⁷⁷ Refer to the report undertaken for the European Commission: Report of a Thematic Study using Transnational Comparisons to Analyze and Identify Cultural Policies and Programmes that Contribute to Reducing and Preventing Poverty and Social Exclusion, The Centre for Public Policy, Northumbria University, United Kingdom, (no date).

⁷⁸ Examples include the Welfare Reform Act 2007; Equality Act 2006 and the Childcare Act 2006

SECTION 6: WHAT CAN WE DO ABOUT POVERTY?

The key objectives of the UK's strategy to combat poverty and promote social inclusion are to:⁷⁹

- Promote labour market participation for those that can work;
- Make returning to work advantageous to those receiving social benefits;
- Support and promote financial security for families;
- Protect the most vulnerable;
- Improve access to public services; and
- Mobilize all relevant bodies/partners

The government has introduced changes to the taxation system and social security policies including:

- National minimum wage;
- Tax credits for low income earners;
- Tax credits for parents;
- Measures to provide security and independence to people with disabilities and seniors; and
- Significant expenditure increases on education, employment assistance, health and housing.

Reports on poverty and social exclusion in the UK highlight that progress has been made, but significant challenges remain including:⁸⁰

- Pockets of persistent low employment, low skills poor health and weak performance;
- Proportion of the population at risk of poverty in the UK is still above the average for the EU;
- Concerns remain regarding the unemployment rate for specific subgroups including people with disabilities, lone parents, older worker, partners of benefits recipient and members of ethnic minority communities; and
- Number of people living in substandard accommodation and having difficulty paying fuel bills.

The government's most recent action plan on social exclusion, Reaching Out, was launched in September 2006 with the aim of mitigating the lifelong effects of social exclusion and prevent poverty from persisting from one generation to the next.⁸¹

⁷⁹ The UK Government has not provided specific definitions of either poverty or in its annual reports however the Social Exclusion Unit set up by the Prime Minister social exclusion has offered the following definition:

Social exclusion is about more than income poverty. It is a shorthand term for what can happen when people or areas face a combination of linked problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives. Social exclusion is thus a consequence of what happens when people do not get a fair deal throughout their lives, and this is often linked to the disadvantage they face at birth

⁸⁰ Working Together, Department of Work and Pensions, United Kingdom 2006

⁸¹ Reaching Out: Progress on Social Exclusion, Social Exclusion Task Force, 2006

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Ireland

Ireland's national anti poverty strategy was launched in 1997 devised on the basis of widespread consultations and aimed at addressing all aspect of poverty and social exclusion.⁸²

The Combat Poverty Agency oversees the evaluation of the national strategy and provides advice to government departments and local/regional bodies in the development of anti-poverty strategies.

The strategy in Ireland focuses on those population groups that are found to be consistently poor or in risk of poverty with the target of eliminating poverty by 2016.

Ireland has been able to meet or exceed its poverty reduction targets to date. Two key factors in its success have been the growth in the Irish economy, which has led to low levels of unemployment and allowed for additional investments in Ireland's social protection system, and the resulting increase in key services such as income support, education and training, employment supports, health care, housing and transport.

For example:

- Between 1996 and 2007, the number of people participating in the labour market has grown by 523,000, or 34%;
- Between 1997 and 2006, the basic rate of social welfare payment has increased by 99.7 per cent, well ahead of the 34.2 per cent increase in the Consumer Price Index (CPI); and
- Improvements in social welfare rates have led to substantially increased spending from €5.7 billion in 1997 to almost €14 billion in 2006.

Despite the strength of the economy and increased spending some people continue to be socially excluded. Ireland's most recent plan places a greater emphasis on interventions for unemployed people as a means of tackling social exclusion⁸³

⁸² Definitions of poverty and social exclusion as defined by the Office of Social Inclusion established by the Government are as follows:

Poverty is deprivation due to a lack of resources, both material and non-material, e.g. income, housing, health, education, knowledge and culture. It requires a threshold to measure it

Social exclusion is being unable to participate in society because of a lack of resources that are customarily available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such a low incomes, poor housing, high crime environments and family problems

⁸³, National Action Plan for Social Inclusion 2007-2016, Government of Ireland, Dublin, February 2007.

Also refer to: Towards 2016 Ten year Framework Social Partnership Agreement, 2006-2015 and Transforming Ireland: A Better Quality of Life for All Ireland National Development Plan 2007-2013.

Poverty Elimination in London: A Municipal Approach to Community Well-Being and Vitality

Prepared by Social Research & Planning March 2008

SECTION 6: WHAT CAN WE DO ABOUT POVERTY?

Summary

To date, the United Kingdom and Ireland have made significant progress in reducing poverty and social exclusion. The success enjoyed in both countries can be attributed in part to strong economic and employment growth, improved tax benefits and income support, and an array of programs and policies to facilitate labour market participation. Significant progress has been made, but important challenges remain.

Of particular interest from the policy initiatives in the United Kingdom and Ireland will be the strategies developed to address those that are still left behind in the context of vibrant economic growth and substantive government expenditure in the social services.

Anti-Poverty Strategies in Canada

In Canada, there has never been a national anti poverty strategy although there have been a number of initial forays in that direction such as:

- On 24 November 1989, the House of Commons unanimously resolved to eliminate poverty among Canadian children by the year 2000;
- The establishment of a national poverty reduction strategy founded on the principles of the United Nations *Convention on the Rights of the Child* has also been endorsed by the Standing Senate Committee on Human Rights in its April 2007 report, Children: The Silenced Citizens;⁸⁴ and
- The House of Commons Standing Committee on Finance in a recent report on its pre-2007 budget consultations put forth a recommendation asking the federal government to set a specific target and timeline to reduce child poverty in Canada and to “meet with the provincial/territorial governments and groups assisting and/or representing disadvantaged Canadians, among other stakeholders, to develop a strategy for achieving that target.

Two key challenges faced by the federal government in designing and implementing a national anti-poverty strategy are the absence of an official poverty line or benchmark by which to measure the extent of poverty in the country and the sharing of constitutional powers within Canada’s federal system that makes it more difficult to develop and implement an integrated approach to the reduction of poverty and social exclusion.

In the absence of federal and provincial/territorial agreement to work in a coordinated and cooperative way to reduce poverty in Canada there are actions the federal government could take within its own area of jurisdiction such as:

- Strengthen Employment Insurance;
- More investment in federal work tax credits;⁸⁵
- Increase the Canada Child Tax Benefit and National Child Benefit Supplement and to take step to end its clawback;⁸⁶

⁸⁴ Canada is a signatory to the United Nations Convention on the Rights of the Child

⁸⁵ In Budget 2007, the federal government introduced a “working income tax benefit”, a refundable tax credit to be paid to low-income individuals who have annual earnings above \$3,000. The maximum benefit for a low-income single individual is \$500 (reached at \$5,500), which is reduced at a rate of 15% when earnings reach \$9,500. An additional supplement of \$250 is paid to low-income workers who are eligible for the Disability Tax Credit.

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- Measures to provide security and independence to people with disabilities and seniors; and
- Significant expenditure increases on education, employment assistance, health and housing.

In the absence of a national anti poverty strategy Quebec and Newfoundland have developed provincial strategies.

Quebec

Quebec is the only jurisdiction in Canada to enshrine its anti poverty strategy in legislation with the passage of the “Act to Combat Poverty and Social Exclusion” in 2002. The goal of the strategy is to make Quebec one of the industrialized societies with the least poverty by 2013.⁸⁷

In Quebec like the European Union there is a commitment to the larger objectives of reducing social exclusion, prejudice and inequalities that are detrimental to social cohesion and to encouraging participation in community life and social development.

The Act fosters citizen engagement in the ongoing implementation and evaluation of the strategy with the creation of an advisory committee that includes members from anti-poverty groups and from various sectors of Quebec society.

The Act also calls for a monitoring, research and discussion centre aimed at providing reliable and objective information on poverty and social exclusion. The advisory and research bodies have been tasked with recommending a series of poverty and social exclusion indicators.⁸⁸

In its 2004-2005 Budget, the Government of Quebec announced that a total of \$2.5 billion would be allocated over five years to carry out the provisions of the Act to Combat Poverty and Social Exclusion focus on raising the standard of living of social assistance recipients and low income earners and assisting people make the transition from social assistance to employment. Specific initiatives/measures include:

- Full indexation of social assistance benefits;
- Creation of a participation premium for social assistance recipient who are able to work;
- Establishment of a work premium;
- Increase in the minimum wage;
- A new universal tax credit for low income families with children
- Programs to facilitate the entry of young people and new immigrants into the labour market; and
- Development of high-quality early learning and child care services

⁸⁶ The clawback of the National Child Benefit Supplement (NCBS) from payments made to social assistance recipients is practiced in eight jurisdictions in Canada. The NCBS is not clawed back from families receiving social assistance payments in Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec and Manitoba. Some provinces, such as Ontario, have introduced other benefits to assist families living on social assistance (e.g. the Ontario Child Benefit)

⁸⁷ Within in the context of the act poverty is defined as the condition of a human being who is deprived of the resources, means

⁸⁸ Quebec has already published a low income measure calculated the same way as European Union countries.

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Newfoundland

In 2006, Newfoundland and Labrador became the second province in Canada to adopt a comprehensive poverty reduction strategy. Following up on a commitment made in 2003 in the Progressive Conservative Party Plan and in the 2005 Speech from the Throne, the government pledged to transform Newfoundland and Labrador from a province with the most poverty to a province with the least poverty over the next decade.⁸⁹ Specific goals include:

- Improved access and coordination for those with low incomes;
- A stronger social safety net;
- Improved earned incomes;
- Improved early childhood development; and
- Better educated population.

The provincial budget in 2006 committed over \$30.5 million in 2006-2007 to develop and implement an integrated package of 20 initiatives aimed at reducing poverty in Newfoundland and Labrador, and \$64 million annually thereafter. The 2007 budget promised an additional \$28.9 million for the poverty reduction strategy, for a total annualized investment of over \$91 million

Ontario

The government's cabinet committee on Poverty Reduction, chaired by Deb Matthews, Minister of Children and Youth Services, is currently developing a poverty reduction strategy with measures, indicators and targets scheduled for completion in late 2008.

The Committee is reviewing how best to organize and align the current system of supports to ensure more effective investment and efficient administration. The government has committed to working with communities and other governments to expand opportunities for all Ontarians and to reduce poverty over the long term. Examples of some early initiatives include:⁹⁰

- Children and Youth
 - Dental care for low income families;
 - Student nutrition program;
 - Increasing the number of Parenting and Family Learning Centres; and
 - Initiatives to reduce post-secondary education costs
- Quality of Life
 - Strengthening access to services through 211 Ontario; and
 - Creation of the Ontario Child Benefit;
- Low Income Ontarians
 - Investing in social housing;
 - Asset building strategy;
 - Increase in social assistance rates;

⁸⁹The Government of Newfoundland and Labrador uses a definition of poverty that not only reflects a lack of adequate financial resources but also includes social exclusion, as it prevents people from participating fully in the social and economic activities of a society and therefore from reaching their full potential. The government, recognizing that no measure of poverty is perfect, indicated in 2006 that it will primarily use the after-tax low income cut-offs (LICOs) produced by Statistics Canada as a benchmark and will use other indicators to round out and more fully assess the impact of its anti-poverty strategy

⁹⁰ Refer to Ministry of Finance, Ontario, 25 March, 2008 Budget www.ontariobudget.ca

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- Increase in the minimum wage;
- Improving facilities for children and vulnerable populations
- Seniors
 - Property and sales tax credits;
 - A fairer property tax assessment appeal system

LONDON'S STRATEGY

Many individuals and families are trapped in poverty because of policy and systemic failures.⁹¹ Systemic issues are typically based on gender, race and ethnicity, and disability which lead to higher levels of unemployment and lower wages, oftentimes regardless of the level of education attained. In addition, due to a system of low wages and precarious work Canada has a high and growing number of people who are known as the working poor.⁹²

Reducing poverty requires that we become aware of and removing barriers that keep individuals and families from achieving self-sufficiency - barriers such as lack of access to adequate employment, child care, transportation or health care; food insecurity; poor housing; low educational outcomes; low income and the inability to afford things like child care, transportation, housing, recreation, school fees and clothing; cultural and language barriers; and discriminatory beliefs and practices.

While the general strategies for addressing poverty in a community are consistent: advocating for increased income through higher social assistance and minimum wage rates, taxation strategies, and child benefit levels; increasing access to community supports such as quality child care, adequate and safe housing, and transportation; increasing access to health supports; addressing issues that contribute to poor education outcomes and poor jobs, the Association for Municipalities in Ontario (AMO) recommends that municipalities engage in the Provincial Poverty Reduction Strategy by investigating local strategies (for incorporation into the provincial strategy) and develop local targets.⁹³

The World Bank and the International Monetary Fund (IMF) recommends the following principles to guide the development of a poverty reduction strategy⁹⁴. These six principles, while developed for policy making in low-income developing countries, are relevant and useful at the local level as well:

1. results oriented with targets
2. comprehensive, integrating macroeconomic, structural, sectoral and social elements
3. "country drive" (in our context – "neighbourhood driven")
4. participatory with all stakeholders involved
5. based on partnerships between government and other actors
6. long term, focusing on reforming institutions and building capacity as well as short term goals

⁹¹ Hamilton Roundtable for Poverty Reduction. Policy Brief Towards a poverty reduction strategy for Ontario.

⁹² Region of Niagara. Addressing Cycles of Poverty and the Impact on Child Health.

⁹³ AMO. The Municipal Role in the Provincial Poverty Reduction Strategy. Presentation to MCYS. February 12, 2008.

⁹⁴ Oxfam. Influencing Poverty Reduction Strategies, A Guide.

SECTION 6: WHAT CAN WE DO ABOUT POVERTY?

Strategies adopted by other local level jurisdictions are included in this literature review as examples of local approaches that incorporate a multi-faceted response to poverty in their individual communities. While the approaches vary in detail, they are fairly consistent in that they involve many stakeholders; they began by defining what poverty means to their community and how it impacts their community. The strategies include educating the broader community about the issues and why community and government action is important. The approaches adopt the core foundations to a poverty reduction strategy: “upgrade living conditions” and “strengthen local supports”⁹⁵. The challenge for local communities (and the Province) is to determine which initiatives and actions will have the most impact.

The following table summarizes the approaches taken by select municipalities in Ontario⁹⁶:

Municipality	Strategies
Lambton’s Child Poverty Task Force	Adopted the “Circles Campaign” Model of poverty reduction. Aims to: <ul style="list-style-type: none"> • Change the mindset of the community so it wants to and thinks it can end poverty; • Change the goals (policy, law) of the system to end poverty; • Empower people in poverty to help solve community problems while transitioning out of poverty themselves
Hamilton’s Roundtable for Poverty Reduction	Tackling root causes: Affordable Housing, Food Security, Income Security, Accessible Transportation, Social Inclusion, Safe Neighbourhoods. The three levels of strategy are as follows: <ul style="list-style-type: none"> • “macro” strategy - a broad community-level approach focused at the foundational community supports, policy and systems level change required for poverty reduction • Five Critical Points of Investment driven by strategic outcomes defined by a starting point partner • Local strategies and community solutions will be assessed to build community knowledge, synergies and best-practice approaches – includes information sharing, community education, advocacy, policy work
Halton	No specifically defined strategy, however, strategies for comprehensive housing and quality of life for seniors have been developed as two components of the strategy
Niagara	<ul style="list-style-type: none"> • Decrease poverty through advocacy • Appropriate and flexible supports which address the broader determinants of health for adults living in poverty • Mitigate the negative effects of low income on children and youth through programs and services • Monitor progress

⁹⁵ YMCA, Toronto. Pathways to Coherence and Collaboration. Strategic Perspectives on a Policy Framework for Poverty Reduction in Ontario. January 28, 2008.

⁹⁶ These municipalities have been selected as their anti-poverty initiatives are featured on the OMSSA website.

APPENDIX ONE

MEASURING POVERTY IN THE UNITED KINGDOM AND IRELAND

United Kingdom

Measuring Poverty

- The UK has a “tiered approach” that includes three measures of poverty:
 - Absolute low income – families with children living below 210 pounds weekly, adjusted for inflation; goal is to see families’ real income rise over time
 - Relative low income – similar to our Low Income Measure and Ireland’s “at risk of poverty” measure - 60% of median household income
 - Deprivation and income combined – will eventually be similar to Ireland’s Consistent Poverty Deprivation measure (still under development)

Targets and Timelines

- The UK uses relative low-income as the lead measure, and it is the measure used in relation to its’ commitment to end child poverty
 - 25% reduction in children living in low-income families (60% median household income) by 2005
 - 50% reduction in same by 2010
 - Elimination of child poverty by 2020

Sub-Indices

- The UK also annually releases *Opportunity for All* which reports on 41 separate indicators to help gauge the success of its poverty strategy – the indicators provide more detailed data
- Indicators are grouped into 4 categories:
 - Children and Young People (indicators include Low Income Rates, Children in Workless Households, Teenage Pregnancy, School Attendance, Obesity, etc)
 - People of Working Age (Low Income Rates, Employment Rates, Employment Rates for Disadvantaged Households, Education Levels, Smoking Rates, etc)
 - People in Later Life (Low Income Rates, People Contributing to Non-State Pensions, Health Life Expectancy)
 - Communities (Employment Rates in Deprived Areas, Crime Rates, Housing Adequacy Statistics)

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Ireland

Measuring Poverty

- Ireland uses 2 measures of poverty:
- “At Risk of Poverty” which is essentially the equivalent of our Low-Income Measure but at 60% of median household income
- “Consistent Poverty” which links a Deprivation Index to the at risk of poverty measure – this is the lead poverty measure that is connected to Ireland’s poverty reduction timelines and targets

At Risk of Poverty

- Essentially our Low-Income Measure but 60% of the median household income
- Ireland also provides data annually broken down in gradients of 50%, 60% and 70%
- Also provides data by different population groups and households (ie. single parents)
- At Risk of Poverty rate:

2003	2004	2005	2006
19.7%	19.4%	18.5%	17.0%

Deprivation Index and Consistent Poverty

- Ireland’s benchmark measure that is used in its Poverty reduction strategy is called Consistent Poverty
- The measure is derived from a Deprivation Index compiled from questions on the annual European Union Survey on Income and Living Conditions
- Persons lacking two of the following 11 items are regarded as experiencing deprivation:
 - Two pairs of strong shoes
 - A warm, waterproof overcoat
 - Buy new, not second-hand clothes
 - Eat meals with meat, chicken or fish (or vegetarian equivalent) every second day
 - Have a roast joint or its equivalent once a week
 - Had to go without heating during the last year through lack of money
 - Keep the home adequately warm
 - Buy presents for family and friends at least once a year
 - Replace any worn furniture
 - Have family or friends round for a drink or meal once a month
 - Have a morning, afternoon or evening out in the last fortnight for entertainment

- Both measures of poverty are linked by the concept of “Consistent Poverty.”
- People whose income falls below the relative poverty line (60% median income) and who experience two or more areas of relative deprivation are considered to be in consistent poverty

- Consistent poverty rate (persons):

2003	2004	2005	2006
8.8%	6.8%	7.0%	6.9%

APPENDIX ONE

Targets and Timelines

- In 2007 Ireland launched the second phase of its poverty reduction strategy called *National Action Plan for Social Inclusion 2007-2016: Building an Inclusive Society*.
 - The targets and timelines are as follows: “reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016”

APPENDIX TWO

LONDON'S SOCIAL POLICY FRAMEWORK. GUIDING PRINCIPLES

Equity and Inclusion

- Services, opportunities, and community activities should be accessible to all Londoners. Affordability is one of the most important factors in accessibility.
- All Londoners should have access to basic needs including adequate and appropriate food, and safe and affordable housing.

Dignity and Self-Sufficiency

- Policy solutions must work with people's whole lives, and respond to the interconnections of life issues and experiences, such as health, mental health, housing, employment, family supports, social inclusion, and quality of life.
- One size of service delivery does not fit all. Service providers need to empower and work with individuals, families, and communities to identify solutions that will meet their unique needs.
- Income security alone is not the solution to ending poverty. Social policies should not be "band-aid" approaches that simply help people to pay the bills, but should promote opportunities for long-term self-sufficiency.

Partnerships and Accountability

- All three levels of government play a role in establishing and implementing a system of social and economic policies that support self-sufficiency.
- Government, or the public sector, cannot address social policy issues alone. The remaining two "pillars of society" - the private sector and the voluntary sector - have important expertise and resources to contribute to developing local responses to community issues