

The Poverty Debt

Two reports on poverty in Canada were issued in November 2006, each with strikingly different conclusions. One said less than 6% of Canadian children live in poverty; the other said the poverty rate for Canadian children was more than three times that, over 17%. How can that be?

Well, one report was from the Fraser Institute, a Vancouver-based think tank that primarily proposes competitive market solutions to social problems. The other was from Campaign 2000, a national coalition of community organizations which are promoting an end to child poverty – echoing an all-party resolution in 1989 to accomplish that goal by the year 2000.

In issuing its number, the Fraser Institute celebrated the national poverty rate falling to the “lowest level in history,” just under 5%. It called the number of children living in poverty, just under 6%, a “dramatic improvement.” Not only were these numbers “historically” low, they also were much lower than rates of recent years.

Campaign 2000 reported that child and family poverty rates have been “entrenched” at around 17-18% for the last five years. And that the rate has never been below 15% since 1989, the year the House of Commons resolved to end child poverty.

As you have probably guessed by now, the Fraser Institute and Campaign 2000 define poverty very differently. There is no official definition of poverty in Canada, due no doubt to the fact that the calculation of how many people live below the poverty level is contentious. But how different are their definitions?

The measure used by Chris Sarlo of the Fraser Institute is a basic, bare-bones approach. Sarlo includes the cost of only what he considers the basic necessities for living. The cost of subsistence levels of food, clothing, housing, and a few other miscellaneous items are all that are included. For a family of four, this approach gives a figure of just under \$23,000 as the poverty line.

Campaign 2000 relies on Statistics Canada to provide the yardstick. Stats Can does not measure poverty. Instead it issues “low income cut-offs,” levels below which families would find themselves living in “strained circumstances” because it spends a greater portion of income on basics such as food, clothing and shelter than does the average family of a similar size. Stats Can sets this line, for a family of four, at around \$32,000.

Neither the Fraser Institute nor Campaign 2000 can claim to have the “right” definition of poverty – choices about what level of income constitutes a poverty line is a representation of values, goals and objectives. The Fraser Institute’s rationale for its approach is that the Statistics Canada lines are too generous; it doesn’t measure “true deprivation,” thereby misrepresenting the number of people in Canada that can truly be labelled poor or impoverished.



Whatever the measure, there are still too many poor people in Canada. By the measure of the Fraser Institute, we have more than 1.6 million Canadians – hundreds of thousands of whom are children – living in serious deprivation, conditions which are hazardous for health and development. One in every 18 Canadian children is living in deep poverty in a country that finds itself so rich it can afford to put down over 13 billion dollars as payment on the national debt. Deep poverty is deprivation on an ongoing basis. It is not missing out for a month when funds are short. It is about not having money to participate in our society, period.

While we pay down the national debt, we are running up a *poverty* debt that will sink the next generation. Rather than worrying about the next generation’s fiscal debt load we should be worrying that there will be a next generation that can work and participate as Canadian citizens. Living in poverty reduces both expectations for health and getting a job.

The poverty debt can be directly addressed through Canada’s National Child Benefit. Raising the amount of the benefit for families with children provides immediate relief and lifts children out of deep and destructive poverty. Their parents also need help to be included in an economy that has been shedding unskilled workers. Parents need jobs that will support families. CPRN’s study *Too Many Left Behind* found that 9 million workers had not attained literacy levels that are expected of a productive worker. Canada needs to raise the skill level of our workers to be competitive in the new knowledge economy.

Forget about the ongoing debate about the measurement of poverty – it isn’t a problem. The big problem is: we have too many poor children by any measure.

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