EXECUTIVE SUMMARY

KEY FINDINGS

The annual Alberta Poverty Report is an annual report created by the Edmonton Social Planning Council, in partnership with Public Interest Alberta and the Alberta College of Social Workers. This report finds that Alberta remains to have the largest gap between the rich and the poor of all the provinces, with the richest 1% earning 46 times the poorest 10% of the provincial population, relative to other Canadian provinces. The purpose of this report is to inform the public and policy makers the effects of poverty, the current government’s attempts at reducing poverty, and to present the areas and programs in which they can improve on.

Various challenges are still prevalent in Alberta despite the multiple solutions implemented by the Government of Alberta. As poverty costs Albertans about $7.1 to $9.5 billion per year, government programs that tackle the root causes of poverty can provide the necessary resources for the next generation to thrive as well as break the cycle of poverty.

Some of the key findings in this report are as follows:

- Over one in six Albertan children live in poverty. From 2006 to 2016, the number of children in Alberta living in poverty has grown 23.4%. Although the new Canada Child Benefit has resulted in a modest reduction of child poverty across the nation, Alberta did not have the same reduction between 2015 and 2016.
- Alberta is one of two provinces that does not have a provincial poverty reduction strategy, even though one was identified as a priority under the 2013 Social Policy Framework. A provincial strategy would promote real action to address poverty, including leveraging and coordinating investments, resources, government initiatives, and various communities and stakeholders.
- Indigenous, racialized, and LGBTQ2S+ communities and women are disproportionately affected by poverty. 24.1% of Indigenous children live in poverty but the numbers may likely be higher as census data does not include children living on reserves. Moreover, 17% of visible minority children live in poverty. Similarly, LGBTQ2S+ youth are disproportionately overrepresented in the homeless population at 25%-40%.
- Lone parent families experience higher rates of poverty compared to other family types. For instance, low-income lone parents with one child have an income that is about $13,324 lower than the poverty line in 2016. Additional barriers faced by female-led families include unequal pay, working fewer working hours due to familial responsibilities, discrimination based on gender, race, and/or sexual orientation or identification.
- Three-quarters of workers who benefit from the minimum wage increase are 20 years or older, with more than 40% falling within core working age of 25 to 54. A large majority of low wage earners are women, 37.2% have children, of which 12.2% are single earners.
- Income support demand has increased by 65% since 2014. Consequently, Alberta’s income support rates are among the lowest in all of Canada. Even with a promising policy change through Bill 26, which would increase financial support for Albertans needing it, single adults receiving AISH will still be below the poverty line after the increase in 2019.
- Despite the GoA’s efforts in ending homelessness, there are still 5,735 people experiencing homelessness, based on April 2018 Alberta point-in-time homeless count, 11% of which were under the age of 18.
- In the two largest cities in Alberta, a significant cost is paid towards early childhood education, with the median monthly preschooler fees at $1,000 and $885, in Calgary and Edmonton, respectively.
• Even with the Small Class Size Initiative, class sizes have not actually been reduced, which may negatively affect children’s school performance and encourage drop-out apathy from teachers. Similarly, there is a significant gap between the high school completion rate for First Nations, Metis, and Inuit students at 60.2% compared to the provincial rate of 83.4%

• $1.2 billion of poverty costs in Alberta go towards health care. 4.5% of Albertans spend 3% or more of their income on out-of-pocket prescription drug expenses, but this is much higher for those in the lowest 25% of income earners, with 16.6% of Canadians spending more than 3% of their income on prescription drugs. In Alberta alone, about half of the population under the age of 25 are uninsured and likely a large proportion of them are ineligible for private coverage and forego public premiums.

RECOMMENDATIONS

Below are recommendations for the Government of Alberta to help reduce the extent of poverty:

• Implement actions to address the significant shortage of annual tax revenue.
• Create and implement a provincial poverty reduction strategy with targets and timelines.
• Change reduction rates associated with AISH, Alberta Works, the Alberta Child Benefit, and the AFETC to incentivize families to increase their employment income.
• Continue to improve the minimum wage in order to cover the cost of living for working families
• Improve funding and resources for the education system, including working with First Nations on reserve to improve education standards, and the Class Size Initiative.
• Implement a universal childcare system that improves accessibility, affordability, and quality such as expanding the ELCC.
• Extend provincial coverage for pharmaceuticals through a pharmacare program, in order to keep more money in the pockets of low-income Albertans.

While the current NDP government has taken significant action in reducing child and family poverty, it is important that these programs and initiatives are preserved and even strengthened in the current political climate. This means continuing to advocate for these policies in upcoming elections, especially policies that increase annual tax revenue. Without this, crucial public services such as education, healthcare, and government transfers will be at risk for this generation of Albertans and those of the future.

Alberta is one of two provinces that does not have a provincial poverty reduction strategy, even though one was identified as a priority under the 2013 Social Policy Framework. A provincial strategy would promote real action to address poverty, including leveraging and coordinating investments, resources, government initiatives, and various communities and stakeholders.
WHY CHILD POVERTY?

It is crucial for government programs to explore poverty reduction among all populations. It is estimated that poverty cost Albertans between $7.1 and $9.5 billion per year (Briggs & Lee, 2012). Children and youth are particularly vulnerable to the deleterious effects of poverty throughout the lifespan. Decades of research has shown that the health of children and youth is impacted more greatly by the distribution of income and wealth, and the environmental factors associated with that distribution, than by any other genetic or behavioral factor (Mikkonen & Raphael, 2010). According to the American Psychological Association (2018), poverty has negative physical, psycho-social, and academic effects on children and youth, including abuse, neglect, school incompletion, behavioral and emotional problems, physical illness, and developmental delays. These adverse effects follow children into adulthood, further putting them at risk of continuing in a cycle of poverty and developmental stunting (Black et al., 2017; Blair & Raver, 2016). With government commitment and cooperation at all levels to address the root causes of poverty such as lack of affordable housing, inadequate income, food insecurity, violence, discrimination, among others, the cycle of poverty can be broken, giving all children in Canada access to the resources necessary for them to thrive (Boros & Pettes, 2015).

POVERTY MEASURES

Canada has recently introduced its first official poverty line, which uses the market basket measure (MBM), a conservative measure accounting for the combined cost of goods and services that would allow a family to meet their basic needs and to have a modest standard of living (ESPC, 2018). In 2015, Canada’s poverty line averaged $37,542 for a family of two adults and two children. Parts of Alberta were calculated to be much higher, with a poverty line of $40,777 in communities in Alberta with a population less than 30,000 (the highest in Canada), $40,599 in Calgary, $39,335 in rural Alberta, and $38,681 in Edmonton. As this is an absolute measure of poverty, it must be continually updated to reflect differing and changing costs of living. Currently the MBM uses 2011 as its base year and has not been updated to reflect 2018 costs of living.

This report uses the Census Family Low-Income Measure After Tax (CFLIM-AT), calculated from 2016 taxfiler data at 50% of the median household adjusted income (Table 1). It is a relative measure with international recognition and is most strongly related to developmental outcomes and health (Campaign 2000, 2017a). As the CFLIM-AT is a relative measure rather than an absolute measure such as the MBM, it is a more inclusive measure for poverty, considering such factors as social exclusion, or those barriers which prevent full citizenship and participation in society, which results from (and contribute to) income disparities. The 2016 CFLIM-AT for two parents and two children is $40,848 (Statistics Canada, 2018), and though it is not adjusted to costs of living, this threshold exceeds even the highest MBM thresholds calculated for Alberta. A key distinction of the CFLIM-AT is that it also includes tax filer information of individuals and families living on First Nations reserves who are excluded from other poverty measures.

<table>
<thead>
<tr>
<th># Children</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$20,424</td>
<td>$28,884</td>
<td>$35,375</td>
<td>$40,848</td>
</tr>
<tr>
<td>1</td>
<td>$28,884</td>
<td>$35,375</td>
<td>$40,848</td>
<td>$45,669</td>
</tr>
<tr>
<td>2</td>
<td>$35,375</td>
<td>$40,848</td>
<td>$45,669</td>
<td>$50,028</td>
</tr>
<tr>
<td>3</td>
<td>$40,848</td>
<td>$45,669</td>
<td>$50,028</td>
<td>$54,037</td>
</tr>
<tr>
<td>4</td>
<td>$45,669</td>
<td>$50,028</td>
<td>$54,037</td>
<td>$57,768</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 2018
CHILDREN IN POVERTY AGES 0-17 IN ALBERTA

As of 2016 in Alberta, there are 171,860 children ages 0-17 living in poverty, up from 162,200 in 2014. This equates to 17.7%, more than 1 in 6, Albertan children living in poverty. Since 2006, there has been a 23.4% growth in the number of children in Alberta living in poverty (Statistics Canada, 2018).

As a proportion of the total population, there has been a modest 2% reduction of children living in low income families since 2005. (Statistics Canada, 2018). Canada has seen a reduction in child poverty from 20.4% in 2015 to 19.1% in 2016 which may be in part due to the new Canada Child Benefit implemented in 2016. Interestingly, Alberta did not see a similar reduction in child poverty in the same time period. This is likely due to losses in job-related income caused by the drop in energy prices.
Indigenous Communities

Poverty is disproportionately experienced by children in families that are Indigenous, racialized, affected by disability, recent newcomers to Canada, and lone-female parent led (Campaign 2000, 2017). Canada’s history of colonization and residential schools, in addition to the pervasive underfunding of Indigenous services on and off-reserve, has left many people in First Nations communities living in poverty (Alook, 2016). According to 2016 Canadian Census data, 24.1% of Indigenous children in Alberta live in poverty, including those who are First Nations, Métis, and Inuit (Statistics Canada, 2018a). However, census data does not include children living on reserve and so the numbers are likely much higher. In fact, it is estimated from the 2011 household survey that nearly 60% of First Nations children on reserve in Alberta live in poverty (MacDonald & Wilson, 2016). In addition to income disparities, children on reserve are impacted by underfunded services, overcrowded housing, and boil water advisories, among other exacerbating conditions. At the time of writing this report there are 13 short and long-term boil water advisories for First Nations communities in Alberta alone (WaterToday, 2018).

The Truth and Reconciliation Commission’s Calls to Action include calling upon the federal government to reduce discrepancies in funding for healthcare and education on reserves, in addition to providing data on education attainment and income on people who reside on reserves (Truth and Reconciliation Commission of Canada, 2015). Poverty and related stressors are intricately related to child welfare, and Indigenous children are at increased risk of separation from their families due to intergenerational trauma and systemic poverty.
Racialized Communities

Other racialized communities also suffer from high rates of poverty. According to 2016 Census data, 17% of visible minority children in Alberta live in poverty compared to only 11% non-visible minority children (Statistics Canada, 2018b). Systemic racism and social exclusion continue to impact the life chances of many families in Alberta. This may include unequal access to housing and employment and increased adverse encounters with child welfare and the criminal justice system. Visible minority workers are disproportionately represented in lower-paying sales and service occupations, with 31.3% of visible minorities working in the sector, compared to only 19.7% of non-visible minorities in Alberta (Statistics Canada, 2018g). Aboriginal and visible minority children are 1.77 times more frequently selected for investigation by child protective services than the general population (Lavergne, Dufour, Trocmé, & Larrivée, 2008).

In Alberta, 19.8% of immigrant children live in poverty, many of whom are visible minorities. The most vulnerable, with a child poverty rate of 29%, are newcomers without permanent residency status (that is, refugee claimants or those on temporary study or work permits and their families) (Statistics Canada, 2018c). Racialized groups, particularly temporary foreign workers, are exposed to precarious employment including contract labour and shift-work, often with substandard wages, lack of benefits, and poor working conditions (Allahdini, 2014). Moreover, many non-permanent residents are not eligible for the Canada Child Benefit (CCB), an essential income support program for families (ISAC, Campaign 2000, CSALC, & SALCO, 2018). This unfairly excludes many children, even many born in Canada, and reinforces racism, discrimination, and social exclusion.

Women and lone-parent families

Women have consistently had higher rates of low income than men, predominantly women with children and women who are not in a couple (Statistics Canada, 2018j). Women who are also single mothers, LGBTQ+ women, women with disabilities, Indigenous women, women of colour, and immigrant and refugee women, among others, are particularly vulnerable due to the additional barriers that they face. In Alberta, more than 60% of those who earned less than $15 per hour were women in 2018 (Public Interest Alberta, 2018).

According to 2016 T1 tax filer data, the median after-tax income of all female income earners in Alberta was $31,980, as compared to $51,100 for males (Statistics Canada, 2018). Though female workers typically work fewer paid hours than male workers annually, due primarily to family responsibilities, female-dominated occupations have been devalued and thus underpaid in comparison to male-dominated occupations which require a similar level of education (Statistics Canada, 2017).
Even with equal gender distribution across occupations, women would earn less, as men still out-earn women in every occupational group, with the exception of a few professional positions within art, culture, recreation, and sport.

The predominantly female unpaid role of family caregiving has been found to be associated with financial difficulties as well as health effects and psychological distress (Statistics Canada, 2012). Low income can have negative impacts on sexual health and reproduction as well (The Women’s Centre, 2017). Thus, child poverty is inextricably linked to poverty among women.

There is a higher rate of poverty in lone-parent families compared to other family types. According to 2016 T1 tax filer data, 34.5% of lone-parent families are in low income with 48.9% of children from lone-parent families in low income (Statistics Canada, 2018). This compares with only 10.6% of children from couple families who are in low income. Lone-parent status and gender intersect to make particularly vulnerable situations for single mothers. The majority of lone-parent households are female-led with a consistent ratio of 4 to 1 female- to male-headed lone-parent households across Canada (Statistics Canada, 2018i). In 2015, Lone-mothers’ average adjusted income was $15,000 less than that of lone-fathers and 34.5% of lone-mothers lived in poverty compared to 13.7% of lone-fathers (Statistics Canada, 2018). When accounting for the impact of government transfers, female-headed lone-parent families are at a much higher risk of living in poverty.

**LGBTQ2S+**

Research suggests that poverty is an issue for gender and sexual minorities here in Canada, particularly for LGBTQ2S+ youth and for transgender and bisexual adults (Ross & Khanna, 2017). LGBTQ+ youth are at a higher risk of homelessness in Alberta, with the proportion of LGBTQ+ homeless youth estimated at 25%-40% (Abramovich, 2015; Government of Alberta, 2017). Family rejection and abuse are among the top reasons why LGBTQ+ youth face homelessness (Durso & Gates, 2012). The children of LGBTQ+ parents are also vulnerable to poverty due to the disparities faced by their parents. For example, due to the gender wage-gap, parents who are women and/or gender nonconforming are more likely to live in poverty (Ross & Khanna, 2017).

**INCOME AND POVERTY**

**DEPTH OF POVERTY**

**Figure 5. Depth of poverty for low-income families in Alberta in 2016**

There is a significant gap between actual median after-tax income and the CFLIM-AT threshold for many low-income families. As of 2016, low-income lone-parent families with one child in Alberta have a median after-tax income of $15,560, or $13,324 lower than the poverty line (Statistics Canada, 2018). Lone-parent families with two children are similarly struggling, earning $15,175 less than the poverty line. It is clear that many low-income families in Alberta are deep in poverty and require significantly higher incomes to simply be lifted over the poverty line.
LOW WAGE EARNERS

Figure 6 shows the proportion of low-wage earners by age group in Alberta in 2017. Contrary to stereotypes of adolescent minimum wage earners, three-quarters of workers who received the minimum wage increase (earning less than $15/hour) are 20 years or older, with more than 40% falling within core working age of 25 to 54 (Government of Alberta, 2018b).

Between April 2016 and March 2018, 63.3% of low wage earners were women and 37.2% of low wage earners have children, of which 12.2% are single earners with children (Government of Alberta, 2018b). A single full-time minimum wage earner with a 35-hour work week would make a pre-tax income of $27,405. If this were a lone-parent with one child, they would still fall below the poverty line with the minimum wage increase and full-time employment. However, many low-wage earners make even less as part-time and precarious employment is prevalent for many low wage earners. In fact, for the current reference period, 47.3% of low wage earners worked part-time and 23.6% held temporary, casual, or seasonal jobs (Government of Alberta, 2018b). Many parents may work more than one part-time or casual job, creating further challenges for family life.

As of October 1, 2018, the minimum wage in Alberta was raised to $15/hour, up from $13.60/hour. This was a 47% increase over the past 3 years, before which Alberta was tied for Canada’s lowest minimum wage (Government of Canada, 2018). Minimum wage increases are important poverty reduction methods as they put money directly into the pockets of struggling families, lessening reliance on social support programs and improving overall dignity and quality of life.

A common adaptive measure of low-income families is to access emergency food sources, such as food banks. In Edmonton, a 2018 food bank survey of 505 hamper recipients found that 72% of respondents made less than $25,000 per year, up from 53% in 2015 (Edmonton’s Food Bank, 2018). Moreover, families are running out of money faster, with 62% running out by the second week of the month (compared to 47% in 2015) and 87% running out by the end of the third week (compared to 70% in 2015). Over half of respondents did not think they would need the food bank if they could make $500 more per month. Of those working, 60% of respondents are employed on part-time, casual, or seasonal basis. Based on information on respondent’s household, it is estimated that children represent 40% of those served by Edmonton’s Food Bank.
LIVING WAGE

Unlike minimum wage which is legislated across the board, a living wage is calculated by jurisdiction according to cost of living for a primary wage earner to meet their and their family’s basic needs while maintaining a modest standard of living (CCPA, 2018). Living wages are calculated for a family of four with two full-time wage earner parents, one child in school, and another in full-time childcare. The living wage is the take-home amount that a wage-earner realistically needs after government transfers. The living wages rates across Alberta were calculated as follows:

- Calgary: $17.70/hour, calculated in 2018 (Vibrant Communities Calgary, 2018).
- Grande Prairie: $17.35/hour, calculated in 2015 (Living Wage Canada, n.d.).

As noted by the Edmonton Social Planning Council (2018a), although many goods and services are included to achieve a modest quality of life, the living wage does not include credit card or loan debt or interest payments, savings for retirement, savings for children’s education, owning a home, emergency savings, or caring for a family member with severe illness or special needs. It also assumes that two parents are able to work a full 35 hours per week, year-round (ESPC, 2018a).

INCOME INEQUALITY

Alberta is the most unequal province in Canada, with the richest 1% earning 46 times that of the poorest 10%, the largest gap of all of the provinces (Block, 2017). However, according to the data, income inequality is particularly striking in urban areas, with the major Albertan cities Edmonton and Calgary coming in second and third place after Toronto for largest income gaps between the top 1% and bottom 10% in Canada (Block, 2017). Inequality between the top 1% and the middle class is also remarkably high, with Calgary’s top 1% earning 10.3 times that of middle income earners (the 50th percentile) and Edmonton’s top 1% earning 6.7 times that of middle income earners.

From 1982 to 2015, the top 1% in Alberta saw their real after-tax incomes increase by 92.7%, after adjusting for inflation, compared to only an 11.1% increase for the bottom 99% (Statistics Canada, 2018e; Statistics Canada, 2018h). In other words, inequality is increasing over time, with the income of the richest increasing dramatically while the poorest remain nearly unchanged.
GOVERNMENT INVESTMENT IN POVERTY REDUCTION

CHILD AND FAMILY BENEFITS

Government transfer programs are crucial poverty reduction tools, alleviating poverty for families and children by transferring money directly into the pockets of families who need assistance. Without government transfers, the child poverty rate in Alberta in 2015 would have been 21.57%, but with the implementation of the benefits the rate was 15.7% (Campaign 2000, 2017). Figure 8 illustrates how benefit levels change with income.

In the 2018-19 provincial budget, the government provides $175 million in financial support through the Alberta Child Benefit (ACB), targeting the lowest income children and families in Alberta. The ACB supports approximately 120,000 low-income families across the province (Government of Alberta, 2018). The Alberta Family Employment Tax Credit (AFETC) provides $153 million in the 2018-19 budget to approximately 180,000 families. Both the ACB and the AFETC rates are indexed to inflation and rise a modest 1.2% for the 2018-2019 benefit year (Government of Alberta, 2018; Edmonton Social Planning Council, 2018). The AFETC is meant to incentivize work but does not account for the barriers that some families face in terms of employment, who may be ineligible for programs such as AISH. By suggesting that only working families are deserving, the AFETC, though beneficial to many families, undermines the inherent worth of non-working families.

On the federal level, the Canada Child Benefit (CCB) provides essential financial support to low- and middle-income families. Having been implemented in 2016, the extent to which the CCB alleviates child poverty is not yet captured. However, the modest child poverty rate reduction in Canada from 20.4% in 2015 to 19.1% in 2016 may have been impacted by the new Canada Child Benefit. The 2018 Federal budget provides funding to index the CCB to inflation and $17.3 million investment over three years to increase accessibility to the CCB on First Nations reserves (Government of Alberta, 2018). However, eligibility requirements for the CCB leave many children behind, namely those whose parents do not have regularized immigration status, despite the fact that they pay and file income tax (ISAC et al., 2018).

Figure 8. Annual Child and Family Benefits (Two children ages 3 and 7), 2018

![Figure 8. Annual Child and Family Benefits (Two children ages 3 and 7), 2018](image)

Source: Government of Canada, 2018

INCOME SUPPORT AND SOCIAL ASSISTANCE

Alberta Works and Alberta Income for the Severely Handicapped (AISH) are Alberta’s two social assistance programs. AISH provides financial and health benefits to those who are permanently unable to work due to a health condition or disability. Income support, otherwise known as Alberta Works, provides financial assistance to individuals and families in Alberta who do not have the resources to meet their basic needs. Many of these recipients also face barriers to employment, which may include disabilities that do not meet eligibility requirements for AISH. Demand for income support has grown in the past three years, as caseloads have grown by 65% since 2014, with the number rising from 33,753 to 55,794 (Government of Alberta, 2018e).
Currently, Alberta’s Income Support rates are among the lowest in Canada although there are promising policy changes on the horizon. On November 8, 2018, Bill 26: An Act to Combat Poverty and Fight for Albertans with Disabilities was introduced by the Government of Alberta (Government of Alberta, 2018f). If passed, Bill 26 will increase financial support to 250,000 Albertans on AISH, Income Support, and the Alberta Seniors Benefit. In addition, these benefits will be indexed yearly to inflation and the asset limits will be increased when determining eligibility. If the bill is passed, these changes will come into effect January 1, 2019. These increases are sorely needed; for example, all households on social assistance fared better 30 years ago prior to 2017 with the exception of single adults receiving AISH (Tweddle, Battle & Torjman, 2017). In the case of AISH, benefit levels have not changed since 2012 (Patmore, 2012). Even with the improved rate of $1,685 per month for those on AISH starting in 2019, those receiving this would still be below the poverty line.

HOUSING

Through its affordable housing strategy, the Government of Alberta is investing $1.2 billion over five years to build, renovate, and improve existing affordable housing units across the province. The plan increases the asset limits for individuals in affordable housing from $7,000 to $25,000, allowing more families to save for things like education and buying a home (Government of Alberta, 2017a). Some of the targets that this strategy sets out to meet by the 2020-21 fiscal year include, but are not limited to: complete 4,100 new and renovated affordable housing units, to maintain good facility conditions, to provide all tenants with a tenant support worker, to increase the number of Albertans whose needs are met and goals achieved through affordable housing, to respond to the housing requirements of an increased percentage of Albertans in mixed income buildings, and to meet industry standards for energy efficiency and environmental sustainability (Government of Alberta, 2017a). Alberta’s 2018 budget allocated $256 million to support households in securing affordable housing, $68 million of which goes towards rental assistance (Government of Alberta, 2018).

In 2008, the Alberta Secretariat for Action on Homelessness, established by the Government of Alberta, developed a ten-year plan to end homelessness. The 2019 deadline is fast approaching and though there have been considerable efforts made to both prevent and manage homelessness, there is still a lot of work to do to ensure that every Albertan has safe, secure, and affordable housing. In 2018 Alberta point-in-time homeless count, there were still 5,735 people experiencing homelessness on one particular night in April 2018, 11% of which were under the age of 18 (7 Cities on Housing & Homelessness, 2018). This is an increase from the 2016 homeless count done across Alberta of 5,367 individuals (7 Cities on Housing & Homelessness, 2017). While homeless counts are an imperfect measure of the extent of homelessness, it is the most readily available indicator for examining changes across time.

OTHER INVESTMENTS

In addition to those mentioned, since May 2015 the provincial government has taken some significant steps to alleviate poverty, including (Government of Alberta, 2018d):

- Funding increases to Family and Community Support Services (FCSS) and women’s shelters
- Creating a Status of Women Ministry
- Funding a new Early Learning and Care Centre program
- Increasing the minimum wage to $15 per hour
- Developing and beginning implementation of the Child Intervention Action Plan
- Legislating An Act to Reduce School Fees
• Created a school nutrition program
• Extending the post-secondary tuition freeze to a fourth year

GOVERNMENT POVERTY REDUCTION STRATEGIES

Alberta is one of two provinces that do not have a provincial poverty reduction strategy, even though one was identified as a priority initiative under the 2013 Social Policy Framework (Government of Alberta, 2013). Though the engagement process occurred in the fall of 2013 to inform a strategy, there have been no known recent efforts to initiate one.

Eight municipalities in Alberta have created anti-poverty plans to reduce the incidence and severity of poverty in their cities (Canada Without Poverty, 2016). Two such strategies are Edmonton’s EndPovertyEdmonton Strategy and Calgary’s Enough For All Strategy. Furthermore, the federal government has released its very first poverty reduction strategy in August 2018, announcing an official poverty line in Canada, setting poverty reduction targets, and proposing to legislate the framework through the Poverty Reduction Act (ESDC, 2018). A provincial strategy would promote real action to address poverty, including by leveraging and coordinating investments, resources, government initiatives, and various communities and stakeholders.

PUBLIC SERVICES AS POVERTY REDUCTION

EARLY LEARNING AND CHILDCARE

Despite low-income subsidies, out-of-pocket costs for childcare take a huge toll on families. Affordable, accessible, and quality childcare will not only reduce poverty by allowing parents to maintain employment, particularly for women, but it is also a valuable ‘buffer’ of the negative impact of poverty on a child’s development. Some of the challenges faced by Albertan families in the area of early learning and child care are:

• A limited supply of local regulated childcare centres (i.e. childcare deserts)
• Unaffordable childcare
• Inadequate quality of early education and care (Macdonald & Friendly, 2016; Macdonald & Friendly, 2017; Macdonald, 2018)

Calgary is considered to be a childcare desert in that 54% of children live in areas where there are three children in competition for every one space in a childcare centre (Macdonald, 2018). Calgary has a childcare coverage rate of only 37%, whereas Edmonton has a coverage rate of 48%. This means that in Calgary and Edmonton there are only around 3.7 and 4.8 childcare spaces, respectively, for every 10 children not yet in school. Small Alberta cities such as Red Deer and Fort McMurray fare even worse, having coverage rates of 31%, while rural Alberta has a coverage rate of only 24%. The median monthly preshoolefees in Calgary and Edmonton are $1,000 and $885 respectively (Macdonald & Friendly, 2017). In contrast, Quebec has managed to tackle the issue of affordability of childcare with set childcare fees on a sliding scale from $7.75/day for families earning up to $52,060 to a maximum of $21.20/day for families earning upwards of $162,490 (Macdonald & Friendly, 2017).

In April 2017, the government of Alberta introduced a new Early Learning and Childcare (ELCC) initiative, announcing funding for 22 ELCC Centres to improve affordability with a $25/day cap (Government of Alberta, 2018a). Another aspect of the initiative is a curriculum framework and wage enhancements for childcare workers to improve quality. The program was expanded to fund up to 100 additional centres across the province in 2018, 18 of which will be new. However, coverage of the ELCC program remains quite low. For example, in Edmonton, these centres only cover 11.4% of existing childcare spaces (ESPC, 2018).
EDUCATION

The average Albertan household spent $193 on K to 12 tuition fees in 2016, higher than the Canadian average (Statistics Canada, 2018f). Fortunately, An Act to Reduce School Fees received royal assent in May 2017 and is helping to ease the financial burden of low-income families in providing their children the basic right to education (Government of Alberta, 2018c). Additionally, the school nutrition pilot program expanded this year to provide an additional 5,000 students with a daily nutritious meal (Government of Alberta, 2018). School nutrition programs not only improve academic performance, but provide children with regular nutrition for overall healthy development.

An ongoing issue within Alberta schools are large class sizes, which prevent many children from reaching their full potential and may even encourage apathy towards student drop-out among teachers. The 2017-2018 year saw a 2.2% growth in enrollment rates in the K to 12 school system (Government of Alberta, 2018c). The Government of Alberta is committed to the Small Class Size initiative, and though it has maintained class sizes through increased funding for enrolment growth, class sizes have not actually been reduced (J. Teghtmeyer, personal communication, October 2, 2018).

High school completion is another concern for youth, particularly those from low-income families. According to the Organization for Economic Cooperation and Development (2018), “socio-economic status has the strongest impact on participation in education and learning, and on economic and social outcomes” (p. 11). High school completion rates are steadily improving in Alberta (Government of Alberta, 2018c), but still lag behind most other provinces (Institut du Québec, 2018). There is a significant gap between the high school completion rate for First Nations, Métis, and Inuit students of 60.2% compared to the provincial rate of 83.4% (Government of Alberta, 2018c). The Parliamentary Budget Officer estimated that the national funding shortfall for education programming in band-operated schools in 2016-17 was between $336 million and $665 million (Government of Canada, 2016). In light of the TRC’s Calls to Action, the provincial and federal governments must work together to close educational gaps, to increase achievement rates, and to develop culturally appropriate curricula in Alberta schools to achieve equity in education for Indigenous peoples (TRCC, 2015).

HEALTHCARE

It is estimated that poverty costs Alberta between $7.1 and $9.5 billion per year, $1.2 billion of which is in health care costs (Briggs & Lee, 2012). Deteriorating physical and mental health are measurable outcomes of poverty and inequality and put a much higher financial strain on the health care system than would preventative initiatives such as a universal pharmacare system, among others.

According to a 2015 study, 4.5% of Albertans spend 3% or more of their income on out-of-pocket prescription drug expenses (Caldbick et al., 2015). However, this percentage is much higher for those in the lowest 25% of income earners, with 16.6% of Canadians spending more than 3% of their income on prescription drugs; that is, there is an inverse relationship between income and drug expense burden.

Though federal leadership is needed in the area of pharmacare, some provincial initiatives have extended pharmaceutical coverage to the most vulnerable children and families. For example, Nova Scotia’s Family Pharmacare Program helps families with the cost of prescription drugs according to their income and Ontario’s OHIP+ Children and Youth Pharmacare program provides free coverage for all individuals under 25 years of age regardless of income (The Conference Board of Canada, 2017). In Alberta, about half of the population under the age of 25 are uninsured and likely a large proportion of them are ineligible for private coverage and forego public premiums.
ALBERTA’S TAX REVENUE SHORTFALL

The rapid decline in oil prices continues to have an impact on Alberta’s economy and government revenue. Instead of cutting funding for childcare, homelessness and outreach services, affordable housing, and Alberta Works benefits, the government of Alberta has been making conscious choices to protect public services, investing in the health and wellbeing of all Albertans.

The government will not be able to balance its budget and to maintain and improve the social and public services that Albertans depend on without additional tax revenue (McMillan, 2015). For poverty reduction methods to be sustainable, there must be adequate government revenue to ensure funding is available. The chart below shows the additional revenue that the Alberta government could generate if it had the same tax systems as the other Canadian provinces. If Alberta had the same tax system as British Columbia, for example, the government would have an additional $11.2 billion in revenue. At the other extreme, if Alberta had the same system as Newfoundland, it would have an additional $21.5 billion in revenue (Government of Alberta, 2018).

Figure 9. Additional funding revenue if Alberta were to adopt other provincial taxation schemes in 2018

![Chart showing additional revenue if Alberta adopted other provincial taxation schemes.]

CONCLUSION AND RECOMMENDATIONS

In addition to costing Albertans billions of dollars per year, poverty deteriorates our social fabric and creates lost opportunities for our children and youth. Below are recommendations for the Government of Alberta to help reduce the extent of poverty:

- Implement actions to address the significant shortage of annual tax revenue.
- Change reduction rates associated with AISH, Alberta Works, the Alberta Child Benefit, and the AFETC to incentivize families to increase their employment income.
- Implement a universal childcare system that improves accessibility, affordability, and quality such as expanding the ELCC.
- Continue to improve the minimum wage in order to cover the cost of living for working families
- Improve funding and resources for the education system, including working with First Nations on reserve to improve education standards, and the Class Size Initiative.
- Create and implement a provincial poverty reduction strategy with targets and timelines.
- Extend provincial coverage for pharmaceuticals through a pharmacare program, in order to keep more money in the pockets of low-income Albertans.

While the current NDP government has taken significant action in reducing child and family poverty, it is important that these programs and initiatives are preserved and even strengthened in the current political climate. This means continuing to advocate for these policies in upcoming elections, especially policies that increase annual tax revenue. Without this, crucial public services such as education, healthcare, and government transfers will be at risk for this generation of Albertans and those of the future.
REFERENCES


Ross, L. & Khanna, A. (2017). What are the needs of lesbian, gay, bisexual, trans, and queer people (LGBTQ+) that should be addressed by Canada’s Poverty Reduction Strategy (CPRS)? Canadian Coalition Against LGBTQ+ Poverty (CCALP). Retrieved from https://lgbthealth.ca/projects/canadiancoalitionagainstlgbtqpoverty.php


