



Alberta
Government

Together We Raise Tomorrow.

Alberta's Poverty Reduction Strategy

Discussion Paper
June 2013

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Poverty Reduction Strategy – Discussion Paper

Introduction

Together We Raise Tomorrow is a province-wide initiative to support the well-being, safety, security, education, and health of all children in Alberta. Over the next year, government and communities will work together to build on the principles of Alberta's Social Policy Framework to create a Children's Charter, a poverty reduction strategy, and move forward with the Alberta Approach to Early Childhood Development. These conversations will bring Albertans together to identify local solutions and supports that will fit the diversity of children and families in the province.

Under the *Together We Raise Tomorrow* banner, government will engage with Albertans to develop the foundation of the Children's Charter, inform strategies about reducing poverty, and explore concrete options for integrating the province's early childhood development systems. This is all in support of Alberta's children and their families, breaking down barriers and helping to create positive outcomes for children. An integrated agenda with coordinated engagements will bring many communities of interest together to identify local solutions that create better outcomes, with supports that are targeted to fit the unique challenges and diversity of Alberta's children and families in their own communities.

A Poverty Reduction Strategy for Alberta

The Government of Alberta has made a commitment to eliminate child poverty in five years and reduce overall poverty in 10 years through a community-driven approach. The effects of poverty are far-reaching and touch all Albertans. Poverty results in a lower quality of life for everyone in our province—not just those with low incomes. Poverty impacts society as a whole, from greater demands on the health care and criminal justice systems, to diminished workplace and economic productivity. Children who live in poverty are more likely to have adverse outcomes in education, health, socialization, employment, and income.

Over the last 10 years, jurisdictions across Canada have been developing and implementing plans to reduce poverty, particularly among children. There is growing consensus that alleviating poverty, especially **child poverty**, is simply the right thing to do. What we need now is a collaborative, community-driven plan that identifies the best options to address poverty in an Alberta context.

When it is completed, Alberta's poverty reduction strategy will present:

- A comprehensive strategy to eliminate child poverty in five years;
- A 10-year plan to reduce overall poverty;
- An implementation plan that outlines immediate, mid-, and long-term actions; and
- A comprehensive community-based evaluation and monitoring strategy.

An important step in creating a provincial poverty reduction strategy is speaking with Albertans—individuals, families, community groups, businesses, service delivery agencies, and governments—to identify what poverty looks like in each community, to understand poverty’s impact on the whole community and why it is therefore of interest to the whole community to deal with it, and to hear ideas about how to reduce poverty in our province. We also want to speak to Albertans, including children, about the experience of poverty. These conversations will build on the engagement for Alberta’s Social Policy Framework, and help us understand how we can work together to ensure that all Albertans, regardless of their circumstances, have the opportunity to participate fully in our social, economic, and cultural life.

This document is intended to start a conversation by outlining our early thinking on poverty reduction, as well as some of the potential actions we can take to eliminate child poverty and reduce overall poverty in Alberta. Our hope is that it will provide you with the information you need to participate in the engagement process, which will run through fall 2013. We will consider all of the input, ideas, and thoughts that have been shared before finalizing the poverty reduction strategy.

Why do we need a poverty reduction strategy?

Alberta needs a poverty reduction strategy to respond to the persistent rates of poverty in our province. An estimated 318,000 Albertans are living in poverty, including approximately 91,000 children¹. We also know that certain populations in Alberta are overrepresented in poverty statistics, including single-parent households, people with disabilities, Aboriginal peoples, and women.

Living in poverty for long periods of time affects well-being. Poverty can lead to long-term health problems and can hold people back from taking advantage of educational, employment, and recreational opportunities. There is considerable evidence that poverty is linked with crime, homelessness, discrimination, and other costly societal problems. Investing in poverty reduction improves well-being for everyone. Eliminating child poverty is key to breaking the cycle of poverty and is based on the fundamental principle that all children should have the opportunity to succeed in life.

With the exception of British Columbia, Alberta, and Saskatchewan, all Canadian provinces have either implemented, or are developing poverty reduction plans. Similarly, many of Alberta’s seven major urban centres are in the process of developing or have developed their own poverty reduction plans. To effectively address poverty, we need a poverty reduction strategy that coordinates and leverages the resources, investments, and actions of governments, communities, individuals, and families.



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¹ Statistics Canada CANSIM 2011. Persons in Low Income, Annual. Modified Table 202-0802.



The poverty reduction strategy is identified as a priority initiative under the Social Policy Framework and will be developed in alignment with the framework's principles and outcomes.

How is the poverty reduction strategy related to the Children's Agenda?

The Government of Alberta has committed to a full-year agenda to ensure that all Alberta children and their families are supported. One of the first steps in this agenda was introducing the *Children First Act*. The Act initiates a review of all policies, programs, and services that affect children, and requires the government to establish a Children's Charter to guide future decision-making. The Children's Charter will align with the Social Policy Framework and interpret the framework's outcomes with a focus on what these outcomes mean for children. The poverty reduction strategy, which will present a comprehensive strategy for eliminating child poverty in five years, will be developed in conjunction with and under the guidance of the Children's Charter.

How is the poverty reduction strategy related to Alberta's Social Policy Framework?

Alberta's Social Policy Framework was launched on February 28, 2013. This framework, designed by and for Albertans, reflects a clear vision for our future; identifies our desired outcomes for all Albertans; and guides how we will work together to achieve these outcomes. The framework will be the overarching structure that directs action to eliminate child poverty and reduce overall poverty in Alberta. The poverty reduction strategy is identified as a priority initiative under the Social Policy Framework and will be developed in alignment with the framework's principles and outcomes. The framework describes the outcomes that we want for all Albertans; the poverty reduction strategy will identify the actions we will take to achieve these outcomes for Albertans living in poverty. For example, how will Alberta's poverty reduction strategy ensure that all Albertans feel included and are able to be active and engaged citizens?

Our approach to poverty reduction

In framing our approach to poverty reduction, we considered three key questions:

1. How will we define poverty?

We heard during the Social Policy Framework engagement that Albertans believe poverty is about income and other factors, some of which are outside a person's control. We have therefore defined poverty as the exclusion or the lack of resources, resiliency, capabilities, and choices necessary for the enjoyment of an adequate standard of life. This definition of poverty allows us to look beyond income to include concepts of quality of life, social inclusion, access to supports and services, and ability to accumulate and retain assets. It also requires us to look beyond meeting basic needs through our programs and services to fully integrating people into society regardless of their situation.

2. How will poverty be measured?

Unlike other jurisdictions that have defined poverty lines and metrics, Canada relies on a series of income measures to define poverty: the after-tax Low-Income Measure, the after-tax Low-Income Cut-Off, and the Market Basket Measure. To measure poverty and its reduction, we will be tracking all three of these measures, as well as developing a new Deprivation Index specific to Alberta. This approach recognizes that income is only one piece of the poverty experience, and that there are other dimensions of poverty to consider. Examples of items in a deprivation index may include: access to savings, a network of family and friends, and the ability to purchase fresh fruits and vegetables.

3. What are the underlying causes of poverty in Alberta?

We believe that a range of issues cause poverty. Therefore the approach to poverty reduction focuses on evidence first—what the data tells us about who is poor and why they are poor. It is important for us to develop a strong understanding of who is poor in Alberta so we can begin to explore the causes of poverty among these groups, and develop targeted strategies to address those causes. For example, if children in single-parent led households are more likely to be poor, why is this the case and what can be done to reduce poverty in this particular demographic group?

To learn more about the nature of poverty in Alberta, we worked with an external expert to develop a poverty matrix. The poverty matrix is an evidence-based overview of poverty in our province that uses demographic indicators to tell us who is poor. Our preliminary findings indicate that:

- Alberta's overall poverty rate of 12% is comparatively low—one of the lowest in Canada.
- The overall incidence of poverty among children (aged 0-9) in Alberta is 17%.
- Poverty rates only differ slightly between single men and women.
- Children and marriage influence a person's poverty rate—poverty is higher for single-parent families than two-parent families.
- Poverty among seniors is low—8%.
- The average depth of poverty in Alberta is 46% or \$9,500². Depth of poverty refers to how far a family's income falls below the Low-Income Measure. In Alberta in 2006, families in poverty were, on average, making \$9,500 less per year than the Low-Income Measure.

We've also gathered a great deal of information on promising poverty reduction practices from other jurisdictions that we will share during our engagement work and in the development of our provincial strategy.



² Using Statistics Canada's Low Income Measure (LIM) or 50% of median income.



Exploring options

Poverty is a complex issue that requires many solutions. We need to take actions that will reduce poverty, and actions that will prevent poverty from happening in the first place. To do this, we have to look at the needs of the different groups of people who are overrepresented in poverty. For example, eliminating poverty among children means looking at solutions that impact children themselves, as well as the households they live in. Our solutions must include different partners: provincial, municipal, and federal governments, Aboriginal groups, community-based groups, and businesses. The nature of poverty can vary by region or community, so we will also need to consider flexible, place-based approaches suitable to local situations.

There are many programs and initiatives already underway in Alberta that have shown success in alleviating poverty. There are also a number of areas where advocates and experts have called for improvements. Our goal is to identify the options that will have the greatest impact on those living in poverty and that will work over the longer term to prevent poverty.

Our development of options to reduce poverty will be structured around the 10 core policy areas of poverty reduction identified in the *Poverty Policy* paper, a resource developed by Sheri Torjman for the Caledon Institute of Social Policy³. We have adapted these policy areas into seven domains, listed below, which will inform our approach to develop an Alberta-specific poverty reduction strategy.

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Domain	Rationale	Options
AFFORDABLE HOUSING	Shelter costs are generally the most expensive item in a household budget. Stable, affordable housing is crucial for both physical and emotional well-being.	Options in this policy domain include enhancing the affordable housing supply by increasing the number of housing units through retrofitting, land acquisition, and waiving property taxes. A household's ability to pay for housing may be enhanced through rent supplements, tax incentives, income supplementation, rent banks, home purchasing assistance, cooperative housing initiatives, and affordable housing agreements.
EARLY CHILDHOOD DEVELOPMENT	Childhood poverty is associated with lower levels of education, low earnings in adulthood, a range of psychological problems, and a greater likelihood of involvement in criminal behaviour. Early childhood development programs are an important means of mitigating childhood deficits and promoting healthy development.	Options include income support measures, direct intervention with children and families, early childhood development programs, home visit programs, prenatal measures, high-quality child care, and tax incentives.

³ *Poverty Policy* can be accessed at www.caledoninst.org/Publications/PDF/720ENG.pdf.

Domain	Rationale	Options
<i>EDUCATION AND LITERACY</i>	Education and literacy are the most important springboards out of poverty as knowledge and learning enable better economic and social outcomes.	Options include program customization and literacy programming.
<i>TRAINING AND SKILLS DEVELOPMENT</i>	Some individuals face barriers to employment such as racial discrimination or severe disability. Others encounter obstacles related to non-recognition of credentials obtained in other countries. Even in the absence of these barriers, it can be difficult for prospective employees to find suitable employment due to a lack of the appropriate skills.	Options include customized training, community-provided upgrading, credentialing responses (i.e. speeding up credential recognition processes, recognizing offshore credentials), and career bridging.
<i>INCOME SUPPLEMENTATION AND REPLACEMENT</i>	Although employment is the most common source of income, it is not the only source. Income supplementation and replacement initiatives are intended to assist the working poor by increasing household income.	Options include the adoption of a living wage policy, income top-ups by government, enhanced tax incentives, lower taxation rates, adjustments to the asset exemption and earning limits that allow income support recipients to earn and save more before their benefits are affected, and the creation of a new income support system for working-age adults.
<i>ASSETS</i>	Asset-based policy helps households acquire and maintain assets such as personal savings or home ownership. Accumulating assets can help reduce stress and enhance economic security for low-income households.	Options include house savings accounts, government bonds, tax incentives, targeted investments, microenterprise initiatives, and cooperatives.
<i>PLACE-BASED INTERVENTIONS</i>	Place-based interventions refer to community-led initiatives to reduce poverty, rather than provincial or national initiatives. These interventions are intended to complement other programs and services and address issues in the context of a specific community.	Options include joined-up systems that deliver seamless supports, the development of local recreational, health, and social well-being programming, new forms of intervention, advocacy, and assistance in navigating services.





Community engagement for the poverty reduction strategy will begin in June 2013. We want to work in partnership with communities and other experts to develop a suite of options to eliminate child poverty and reduce overall poverty in Alberta.

The community engagement for the poverty reduction strategy will build on the ideas described above, consider them in an Alberta context, and help us identify specific options that fit with what we know about poverty in Alberta. These policy options are presented to provoke discussion and are not intended to be definitive. It is important to get the right policy mix so that poverty will be reduced. Getting the right mix means we have to look at poverty from many different points of view. Having only one solution may not be enough to reduce poverty in our province.

Many of Alberta's seven major urban centres are in the process of developing or have developed their own poverty reduction plans. The provincial poverty reduction strategy will coordinate and leverage ongoing municipal efforts to address poverty. More information about local poverty reduction strategies can be obtained at the following websites:

Calgary – www.enoughforall.ca

Grande Prairie – www.cityofgp.com/index.aspx?page=1724

Lethbridge – vibrantlethbridge.blogspot.ca

Get involved

Community engagement for the poverty reduction strategy will begin in June 2013. We want to work in partnership with communities and other experts to develop a suite of options to eliminate child poverty and reduce overall poverty in Alberta. Our engagement on poverty reduction will include government-led community conversations, an online wiki, and online forums for discussion.

The engagement process will encourage interactive discussions among individuals, stakeholders, and government. Each week, we will invite you to share your experiences and ideas for a particular policy domain of poverty reduction. Input and conversations from the wiki, blogs, twitter, survey, and community discussions will all be used to help build Alberta's poverty reduction strategy.

A first draft of the poverty reduction strategy is targeted for completion in August 2013. This draft will then be released for further discussion and feedback. We hope to present a final draft of the strategy to Cabinet for approval in late fall 2013.

There are many ways that you can contribute: engage online, host or attend a discussion in your community, and talk to your friends and family. We look forward to hearing your ideas on how to eliminate child poverty, improve the well-being and quality of life of people living in poverty, and ensure a strong and prosperous future for our province!

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