

Poverty in Manitoba – is there a way out?

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If a person is low-income or they are poor, they generally have a whole list of problems, from not having a decent education to not having decent housing, to not having any connection to their neighbourhood...[and] not having the self-esteem or the capacity to say 'I deserve a decent life' (CCPA-Mb 2006:19).

Individuals who are poor know that the effects of poverty reach far beyond the wallet. Poor people, especially those experiencing long-term and intergenerational poverty, often come to believe that there is little hope for a better future. For many this is a reasonable assessment. Research shows that the longer people live in poverty, the less likely they are to escape it (Lang 2007).

Definitions of poverty vary. When viewed in context of the society in which a person lives, poverty is best understood as “people’s inability to participate in the customary life of society...their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities” (Levitas 2003). This paper examines poverty in the context of Manitoba.

Manitoba’s poverty rate in 2009 as measured by the Low Income Cut Off (LICO) was 13.8 percent before tax and 8.9 percent after tax. While Canada does not have an official poverty line, the LICO is most often the measure used. It is an income threshold that Statistics Canada calculates using the 1992 Family Expenditures Survey as a base, and then factoring in Consumer Price Index (CPI) inflation rates. Statistics Canada calculates both before- and after-tax cut-offs for various family and community sizes. This is important because it shows how the redistribution of income through our tax system can help improve the economic situation of low-income households.

As shown in Chart 1A and Chart 1B, both the national rate and the Manitoba rate have declined in the past twenty-five years. Manitoba’s after-tax rate dropped significantly when compared with Canada as a whole, especially in the past 10 years. Between 1999 and 2009, Manitoba’s after-tax rate dropped by 6 percent compared with 3.4 percent nationally. This is a result of measures taken by the Province to reduce taxes paid by lower-income households.

Chart 1A
Canada Manitoba Before Tax Poverty

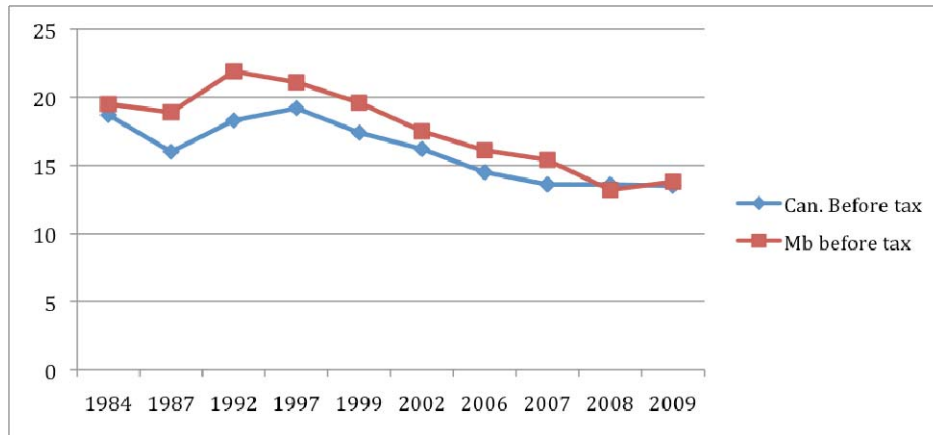
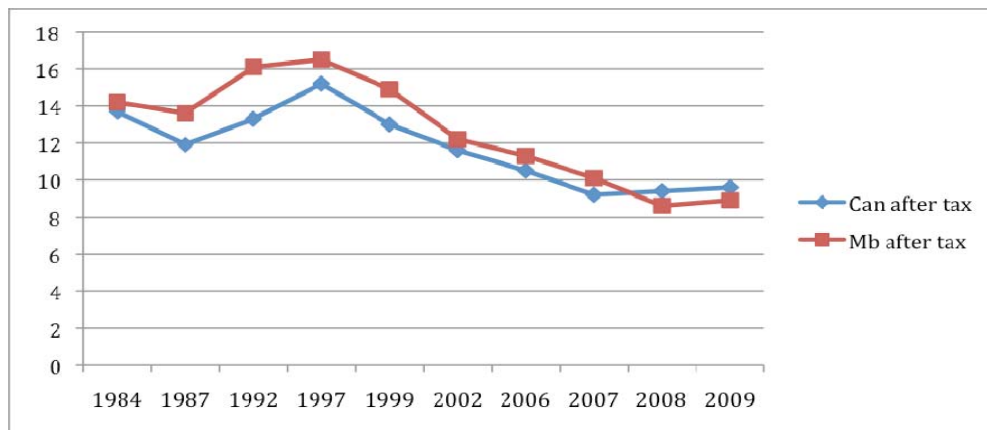


Chart 1B
Canada Manitoba After Tax Poverty



Source: Statistics Canada Cansim Table 202-0802

In addition to knowing the number of people living in poverty at a particular time, it is also important to know the depth and duration of poverty. The average income of those living below the LICO in Manitoba has risen slightly but remains well below the LICO. Further, income inequality has increased slightly with the highest income quintile earning 41.6 percent of all income compared with 5.6 percent for the lowest income quintiles (Statistics Canada Cansim Table 202-0703). The distribution of incomes is important because as noted by Wilkinson and Pickett (2009) the social problems in wealthy countries are directly related to “the scale of material differences between people within each society being too big. What matters is where we stand in relation to others in our own society” (p 25).

The Geographic and Demographic Face of Poverty

North/South Divide

While poverty exists across Manitoba, some groups are more affected than others. The most recent Census data (2006) show a definite north/south divide. For example, in 2006 the median income of all individuals 15 years and over in Northern Manitoba's Burntwood region was \$15,395 compared with \$24,194 in all of Manitoba.

Unemployment in the Burntwood region was 15.7 percent compared with 5.5 percent in all of Manitoba. People in the Burntwood regions are younger in general - the median age is 24 years compared with 38 years across Manitoba- and they have lower levels of education. Fully 47.7 percent of individuals between 25 and 34 years in the Burntwood region "have no certificate, diploma or degree" compared with 16.4 percent of the same age cohort in all of Manitoba.

Aboriginal Poverty¹

At 29 percent, the rate of Aboriginal poverty is almost three times Manitoba's overall poverty rate. In Winnipeg Aboriginal people make up approximately 10 percent of the population yet constitute 25 percent of those living in poverty. The median annual income for Aboriginal workers aged 15+ in Manitoba was \$15,246, a mere 63 percent of the median income of \$24,194 for the overall population. At 15.4 percent, the Aboriginal unemployment rate was almost three times the Manitoba rate. The situation was worse on reserve where the unemployment rate was 26 percent. Although they make up less than 13 percent of the working-age population, Aboriginal people represent over 30 percent of the unemployed in Manitoba.

Aboriginal women are consistently poorer than Aboriginal men (Donner et al 2008). In 2006, Aboriginal children were almost three times more likely to be poor than non-Aboriginal children. Aboriginal children under six had a poverty rate (based on before-tax LICO) of 56 percent compared to 19 percent for non-Aboriginal children under six.

Improving education outcomes for Aboriginal people is a necessary component of a poverty reduction strategy. We know that education is increasingly important to securing well-paid employment. Fully 38 percent of Aboriginal people aged 25-34 years have no certificate, degree or diploma compared with 16 percent of the overall population. Only 13.5 percent of the Aboriginal population has a university certificate, diploma or degree compared with 23 percent of the general population. The lack of adequate, affordable housing is another critical issue, and one that is closely tied with education attainment and family stability. Aboriginal households are two to three times more likely to be overcrowded than non-Aboriginal households. The lack of affordable housing for the Aboriginal population in Manitoba creates lengthy waiting lists for social housing, helps to explain why 75 percent of the emergency shelter population in Winnipeg is made up of Aboriginal people (Laird 2007), and why children are moving from school to school.

The number of Aboriginal children in foster care is an important measure of Aboriginal social and economic wellbeing. Aboriginal Children comprise upwards of 70 percent of those living in foster care (Blackstock and Trocme, 2004) and the majority of children placed in care come from poor families (Child & Family Services Standing Committee 2007).

¹ Aboriginal poverty statistics are taken from Census 2006 Aboriginal Population Profiles.

Gender, Age and Family Type

Although overall poverty rates have decreased in recent years, more women are poor than are men. This holds true for all family types and age groups (except for males under eighteen). Elderly and Aboriginal women, women with disabilities and mental illness, and female newcomers are among the poorest in our province. More senior women are poor than are senior men, as are women aged 18-64 in families where women are the main earner (Donner et al 2008).

Women's poverty is partly attributable to income disparities between men and women. The median income for women is only 67 percent that of men—\$27,700 compared to \$42,900 (Census of Canada, 2006). Aboriginal women, immigrant women and women living with disabilities earned even less (CCPA 2009).

Child poverty is particularly concerning because, as Ross and Roberts (1999:36) have shown, children who grow up in poor families are, on average, less likely to do well in life. The lasting effects of child poverty are considerable and costly, ranging from poor health outcomes to low scholastic achievement and in later years few employment opportunities and a persistently low economic status. Although the child poverty rate in Manitoba continues to be unacceptably high, it has declined quite significantly when the redistributive effect of the tax system is considered. In 1999, Manitoba had an after-tax rate of 19.5 percent compared with the national rate of 14.6 percent. In 2009, Manitoba's after-tax rate dropped to 9.1 percent compared with the Canadian rate of 9.5 percent (Statistics Canada Cansim Table 202-0802).

Recent Immigrants

Manitoba is home to an increasing number of new immigrants (arriving in the last five years) as a result of provincial government targets for 20,000 new immigrants over the next ten years (Ghorayshi, 2010). New immigrants are more likely to live in poverty compared to both the overall population and to established immigrants—defined as those who have been living in Manitoba fifteen years or longer. In Manitoba, 32 percent of recent immigrants were living in poverty in 2006 (Census of Canada 2006). This is in part because of the difficulty newcomers have integrating into the Manitoba labour force. Reasons include a lack of Canadian work experience, language barriers, and difficulties related to the transferability of qualifications. Some newcomers end up in low-skill, entry-level, low-wage positions for which they are overqualified. Although incomes can improve over time, many new immigrants cannot cover the costs of their basic needs, forcing them to rely on social assistance and food banks to make ends meet.

Persons with Disabilities

Persons with disabilities are over represented among the poor. As of 2006, 170,000 people in Manitoba have a disability and 16 percent of all persons with disabilities are living in poverty (CCPA 2009: 18). Persons with disabilities are particularly vulnerable to poverty and social exclusion because of inadequate disability supports in education, facilities and workplaces, but also in other areas that prevent them from fully participating in community life. Those unable to work are particularly disadvantaged. Current provincial disability benefits are simply too low to meet even the minimum costs of living in Manitoba, let alone the extra costs of living with a disability. A single person with a disability receives an average annual welfare income of \$8,652—48 percent of the poverty line (CCPA 2009:42).

Urban Poverty

Just as poverty is concentrated in First Nation communities, it is also concentrated in cities. Pockets of poverty are found in many Winnipeg neighbourhoods as well as in smaller cities like Thompson and Brandon. However, the most concentrated urban poverty can be found in Winnipeg's inner-city neighbourhoods. Spatially concentrated poverty is particularly damaging as individuals and their families tend to be trapped in an intergenerational cycle of poverty that is difficult to escape (Sampson, 2009).

Is There a Way Out of Poverty?

The persistence of poverty and inequality in Manitoba is a symptom of our society's failure to adequately address the failings of a social and economic system that creates exclusion. While statistics show there has been improvement in Manitoba, we have a very long way yet to go.

It is often said that education provides the best means to escape poverty. But for many families living in poverty, the promise of education remains elusive. As described by one individual who dropped out of school at an early age, "education wasn't necessarily discouraged [by parents], but it wasn't encouraged either." This is particularly true for many Aboriginal families for whom the legacy of residential schools has left a deeply held distrust of the education system.

So while education can help individuals break the cycle of poverty, poor families need extra support and encouragement to ensure that they have equal access and enhanced opportunity to succeed. The depth and breadth of their barriers must be well understood by educators and policy makers if we are to level the playing field.

While increasing access to education will help, it is only one part of the solutions. Poverty, especially when it transcends generations, can be deeply damaging. Many people living in poverty will not be able to work. For these who are most vulnerable, we require a system of supports that enables them to live in dignity and comfort.

The causes of poverty are complex and so too are the solutions. Reducing poverty in Manitoba will require a comprehensive strategy that involves multiple interventions, government and non-government participation, and the political will at all levels of government to make it a priority.

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