



IF YOUR MLA IS NDP

This fact sheet is designed to assist you when you contact your local NDP MLA.

Introduction

At 10.7%, BC has the highest poverty rate in Canada and no plan to tackle it directly.

In June 2011, the NDP introduced a private members Bill, the "BC Poverty Reduction Act," which proposed the establishment of poverty targets and measures, as well as government accountability. During their election campaign, they also promised to implement a poverty reduction plan but the policy measures included were inadequate, such as a \$20 increase to the welfare rates in 2015.

We need to push them on filling out this plan to include concrete measures that would reduce poverty significantly, such as raising welfare rates and the minimum wage, indexing both to inflation, building more social housing, and providing universal child care.

1. Cost of Poverty

The NDP need to ground their approach in the fact that paying for the negative effects of poverty costs much more than dealing with it directly. **We all pay for poverty.**

The costs of inaction are so large that they far exceed the costs of poverty reduction. Poverty is consistently linked to poor health, lower literacy, poor school performance for children, more crime, and greater stress for family members. It is society as a whole that bears the costs of poverty, through higher public health care costs, increased policing and crime costs, and many more social costs.

Considering the costs of health care, crime, and lost economic activity, we are spending between \$8.1 and \$9.2 billion per year to maintain the status quo of poverty.¹ That's more than double the \$3 to \$4 billion needed to implement a comprehensive poverty reduction plan.

Purely on economic grounds, it makes sense to tackle poverty directly than to continue to pay out year after year for its long-term consequences. The real question is not "Can we afford to reduce poverty?" but "Can we afford not to?"

We need to stop mopping the floor and fix the hole in the roof.

2. Low Welfare Rates

Welfare rates are deeply inadequate at \$610 for a single "employable" person. This doesn't even cover basic needs such as a home (the average rent of a room in a boarding house in the Downtown Eastside is \$425)² and food (a healthy diet costs, on average, \$225),³ let alone looking for a job. These rates have been frozen since 2007 so inflation eats away at what is already a subsistence income.

The NDP should call for an immediate increase in welfare rates.

Meet your MLA

Ask them to commit to a Poverty Reduction Plan

3. Working Poverty

The NDP need to highlight that having a job is not a guaranteed way out of poverty.

Most poor people already have a job in the paid labour force. Almost half the poor children in BC live in families with at least one parent working full-time, full-year.⁴ And the vast majority of poor children live with caregivers who have some paid employment. 16% of households accessing food banks in BC last year had income from current or recent employment.⁵

Poverty in BC is primarily about the “working poor.” Contrary to popular belief, only 3% of people living in poverty are on welfare,⁶ whereas the overall poverty rate is 10.7%. The increased minimum wage (\$10.25 by May 1, 2012) will not allow workers to escape poverty. A single person working full-time, full-year at \$10.25 would still be below the poverty line in Vancouver and other large cities, and a person with a child would be far below.⁷

Many people worry that raising the minimum wage leads to the loss of jobs but mainstream economists’ opinion has shifted toward the conclusion that “modest” increases in minimum wages do not kill jobs.⁸ Where negative employment effects are measured, it is in response to fairly large increases in minimum wages, which wouldn’t be necessary if the government indexed it to inflation.

4. Housing

BC has the worst record of housing affordability in Canada and increasing numbers of homeless and under-housed people.

The government has built few *new* social housing units in the past few years.

Overall, BC has seen a net increase of approximately 3,340 new units of housing, or 418 new units per year from 2006 to 2013.⁹ In contrast, between the mid-1970s and early 1990s, with the help of the federal government, BC created between 1,000 and 1,500 new units of social housing every year. But that hasn’t happened in BC in years.

The NDP should call for a re-commitment to building thousands of new social housing units per year.

5. Child Care

For parents to work or go to school, they need accessible, affordable child care but child care in BC is in crisis.

There is only a licensed child care space for about 17% of BC children.¹⁰ Child care is currently the second highest expense (after housing) for families in BC. Fees have increased substantially over the last few years while government subsidies have not kept up.

Quebec has a \$7/day child care system that now pays for itself: for every dollar Quebec invests, it recoups \$1.05 while Ottawa receives a 44-cent windfall.¹¹

The NDP should adopt the \$10/day child care plan¹² in their poverty reduction strategy and push the government to implement this approach.

For more information on child care, please go to <http://www.cccabc.bc.ca/plan/wp-content/uploads/2013/05/BCisFailing.pdf>

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Endnotes

- 1 Ivanova, Iglia, July 2011, The Cost of Poverty in BC, co-published by the CCPA-BC Office, the Public Health Association of BC, and the Social Planning and Research Council of BC, <http://www.policyalternatives.ca/costofpovertybc>
- 2 See Carnegie Community Action Project's Pushed Out: Escalating Rents in the DTES, <http://ccapvancouver.wordpress.com/ccap-reports>
- 3 See The Cost of Eating in BC 2011: Low-income British Columbians can't afford healthy food published by Dietitians of Canada, BC Region and the Community Nutritionists Council of BC, February 2012, <http://www.dietitians.ca/Secondary-Pages/Public/The-Cost-of-Eating-in-British-Columbia.aspx>
- 4 See BC Campaign 2000: 2012 Child Poverty Report Card produced by First Call: BC Child and Youth Advocacy Coalition with the collaboration of SPARC BC, November 2012, <http://www.firstcallbc.org/pdfs/EconomicEquality/First%20Call%20BC%20Child%20Poverty%20Report%20Card%202012.pdf>
- 5 See HungerCount 2012 from FoodBanks Canada, <http://foodbanksCanada.ca/hungercount>
- 6 See Ministry of Social Development BC Employment and Assistance Summary Report, August 2013, <http://www.eia.gov.bc.ca/research/keyfacts.pdf>
- 7 See Statistics Canada, Table 2: Low income cut-offs (1992 base) before tax, <http://www.statcan.gc.ca/pub/75f0002m/2011002/tbl/tbl02-eng.htm>
- 8 Ivanova, Iglia, August 2008, Revisiting the minimum wage disemployment effects, The Progressive Economics Forum, <http://www.progressive-economics.ca/2008/08/06/revisiting-the-minimum-wage-disemployment-effects>
- 9 Klein, Seth, BC's Real Social Housing Numbers, The Tyee, Mar. 2013, <http://thetyee.ca/Opinion/2013/03/29/BC-Real-Social-Housing-Numbers>
- 10 <http://www.cccabc.bc.ca/plan/wp-content/uploads/2013/05/BCisFailing.pdf>
- 11 Fortin, Pierre, Luc Godbout and Suzie St-Cerny. 2011. Economic Consequences of Quebec's Educational Child care Policy. Presented at Early Years Economics Forum, Toronto. http://www.oise.utoronto.ca/atkinson/UserFiles/File/EarlyLearningEconomicForum_Fortin.pdf
- 12 <http://www.cccabc.bc.ca/plan>