

The Measures We Use: Indicators of Poverty in Manitoba

*Review of AllAboard
2015-2016 Annual Report
by Josh Brandon*



Social Planning Council
of Manitoba

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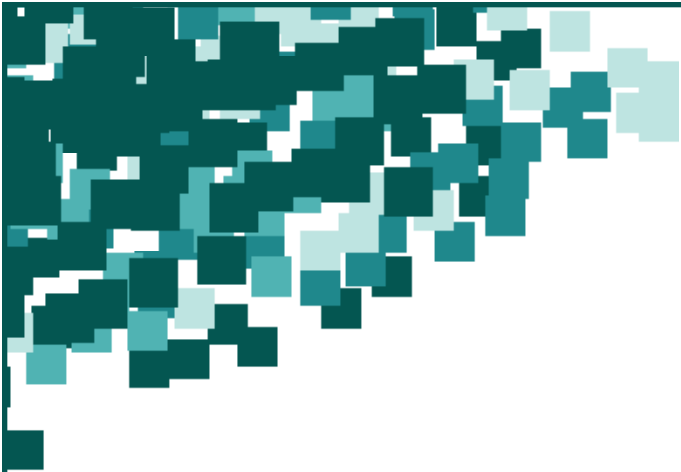
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INTRODUCTION

Today in Manitoba, over 130,000 of us, 40,000 of whom are children, live in poverty.¹

AllAboard: Manitoba's Poverty Reduction and Social Inclusion Strategy² provides an overview of 21 indicators in four key areas related to poverty reduction: safe affordable housing in supportive communities; education, jobs and income support; strong healthy families and accessible coordinated services. Each year, Manitoba is required by law to report on its progress towards poverty reduction.³ This annual report offers an opportunity to reflect on the progress made by our government in reducing poverty.

“Until social and economic rules work for all ... they are not working.” Nobel prize (economics) winner, Joseph Stiglitz

AllAboard 2015-2016 is of particular interest because AllAboard is reaching its five-year milestone in 2017. Legislation requires a review of Manitoba's Poverty Reduction Strategy over the next year. The new government elected earlier this year has

promised to “set the stage for a renewal of the provinces agenda for poverty reduction”. In Budget 2016, Finance Minister Cameron Friesen promised to begin immediate work on “a comprehensive plan to address poverty.” This is the ideal time to review the AllAboard 2015-2016 report, the strategy and offer some recommendations on how to better address poverty in Manitoba so we can finally end it.

Much of the debate about poverty reduction planning in Manitoba has concentrated on how we measure poverty. Here, we argue that a combination of indicators is needed to understand the complexity of poverty. The multiple indicator approach of AllAboard is a useful starting point. Lacking however, are clear targets and timelines. In order to end poverty, we must establish goals for what we are seeking to achieve and to hold successive governments to account in meeting them. As a society that prides itself on our sense of fairness and justice we must re-think our priorities and ensure that ending poverty is the top priority of each and every one in government.

IMAGINING THE END OF POVERTY

The existence of poverty in a wealthy society represents a deep failure of our economy and our imagination. Poverty is widespread in Manitoba, as it is in all parts of Canada to a greater or lesser degree. The reality that some of our neighbours go without warm homes and good food or lack the opportunities to access education and employment that so many of us take for granted should be shocking. However, as a society, we have become inured, or we have convinced ourselves that the suffering of one part of our population is normal and inevitable.

We have hidden poverty from our view. Visible poverty makes those who live in comfort ill at ease. Our cities are divided economically, socially and often physically. Here in Winnipeg, rail lines cut across neighbourhoods reinforcing social barriers of race and class. Decades of exclusionary zoning practices, such as maximum density allowances and minimum lot sizes, as well as NIMBY (Not in My Backyard) organizing efforts by some, have built separated communities in which rich and poor are unlikely to live side by side. In urban centres, bylaw enforcement staff push those who are homeless to move on, scuttling people from one district to another without addressing the reasons why they have nowhere permanent to go. We are shielded from confronting poverty at home, at work or on our daily commutes. The political agenda is dominated by interests that pursue economic growth, rarely considering the purpose of growth, or how it impacts the most vulnerable. Those who live with poverty, and who are rich in expertise from which we could all benefit, are seldom afforded the chance to speak for themselves, or asked what kinds of economic action would help them reach their goals. The strides we take in ending poverty should be the first measure of the strength of our economy and the primary test of the success of our governments.

A first step is to bring poverty out into the open. To achieve lasting gains, we need to establish baselines from which we can measure progress. Transparent data collection based on reliable and independent sources is essential. Government needs to monitor improvement and acknowledge setbacks. The AllAboard strategy, by taking a consistent pulse of 21 key measures, gives a strong baseline for measuring progress. The four pillars of the strategy provide a broad platform of assessment.

The second critical step is the development of a comprehensive plan with clear targets and timelines for achievement of defined goals.

The plan should be based on community consultations and on the expertise and experience of those who live in poverty. The plan should start with measures that tackle both the extent and depth of poverty, including measures that are feasible in the near term. The existing plan does not set out targets with clear timelines. The new plan must.

BACKGROUND ON ALLABOARD

In 2009, Manitoba announced consultations for AllAboard, a poverty reduction strategy with \$744 million in investments, including \$212 million in new funding, and would “focus on long-term solutions to help low-income Manitobans.”⁴ This investment included \$327 million over two years for housing, a small increase in the Manitoba Shelter Benefit (the pre-cursor program to Rent Assist) as well as funding for child care, an increase in the Manitoba Child Benefit, and employment strategies for people with barriers to employment and disabilities.⁵ Much of the impetus for the new strategy came from community groups. In 2009, we and a coalition of community organizations called on the Manitoba government to propose a poverty reduction plan, based on effective models across Canada and Europe.⁶ The resulting report, the *View From Here (2009)*, published by the Canadian Centre for Policy Alternatives, asked for:

- Comprehensive and coordinated approach to poverty reduction
- Meaningful consultation with citizens
- Targets and timelines
- Collaboration across government departments, and
- Evaluation and reporting on progress.

This organizing effort eventually led to the creation of Make Poverty History Manitoba,

a coalition of groups and individuals that continues to advocate for policy changes to end poverty in Manitoba.

As well as the annual reports, Action Plans have been created for some areas including housing, early childhood development, opportunities for youth, targeted supports for those in most need, food security and sustainable employment. While these plans provide starting points, they are not backed by the investment commitments commensurate with the new initiatives that will be required to end poverty. For example, the Action Plan for Targeted Supports for Those Most in Need lists three main areas where action is to occur:

- Looking at existing initiatives to see who is accessing services and achieving successful outcomes.

- Restructuring support systems to ensure that Manitobans who are most in need are receiving appropriate supports (where practical and desirable).
- Ensuring that government-delivered programs are efficiently administered, so that public investments go towards providing frontline services.⁷

Realignment and adjustment of existing programs however will only go so far towards providing the supports needed by those struggling at the deepest poverty level. Existing action plans are mostly focused on cataloging existing programs. A strategic investment of new resources will also be required.

SPCW released a comprehensive review of the strategy and legislation in 2012.⁸ At that time, we offered positive support for some

Table 1: Some Provincial Poverty Reduction Targets¹⁰

| | |
|----------------------------------|--|
| Québec | “The national strategy is intended to progressively make Québec, by 2013, one of the industrialized nations having the least number of persons living in poverty, according to recognized methods for making international comparisons.” |
| Newfoundland and Labrador | “In 2003 the Government of Newfoundland and Labrador committed to transform the province into the one with the lowest rate of poverty in Canada by 2014.” |
| Ontario | “The strategy sets a target to reduce the number of kids living in poverty by 25 per cent over the next 5 years.” (2008) |
| Nova Scotia | “Our vision for 2020 is to break the cycle of poverty by creating opportunities for all Nova Scotians to participate in the prosperity of the province and enjoy a better standard of living.” |
| Manitoba | “Our goal is to continuously reduce poverty and increase social inclusion.” (2009) |
| New Brunswick | “By 2015, New Brunswick will have reduced income poverty by 25% and deep income poverty by 50%, and will have made significant progress in achieving sustained economic and social inclusion.” |

elements of the plan. Coordination across departments is an important step in creating a comprehensive poverty reduction plan. Measuring targets would allow us to track our progress and identify areas that need improvement. The strategy recognized that “poverty is not only about money; it is about social exclusion ... [that keeps people] from the benefits, resources and opportunities they may find from participating more fully in their communities and reaching their full potential.” This relational understanding of poverty is critical to tackling its multifaceted nature.

We also pointed to areas in the plan that were lacking. For example, we argued that the strategy would be strengthened by better mobilizing community support and expertise to ensure people living in poverty are allies in poverty reduction. We also argued that stronger measurement tools would be necessary to evaluate the success of initiatives. Unlike many other jurisdictions’ poverty reduction plans, Manitoba’s did not set clear targets for poverty reduction, but instead proposed an indefinite objective “to continuously reduce poverty and increase social inclusion”. Anti-poverty advocates have asked for more quantifiable targets for poverty reduction.

While indicators are important for measuring progress, targets are necessary for strategic action. In 2014, Kirsten Bernas, a policy researcher with Canadian Community Economic Development Network, wrote in an analysis of the poverty reduction strategy: “if indicators are not attached to targets and timelines, there is no real basis from which to measure progress. If you don’t know where you are going, how will you know how close you are to reaching your destination?”⁹

The challenges of meeting targets should not be an excuse for inaction.

Low or high thresholds?

Different poverty measures provide higher or lower thresholds. Using the Market Basket Measure, a family of four requires an income of \$34,938 to get above the poverty threshold, but to get above the Low Income Measure would require an income of \$41,866.

Poverty rates vary with the threshold. A lower threshold, everything else held constant, will have a lower rate.

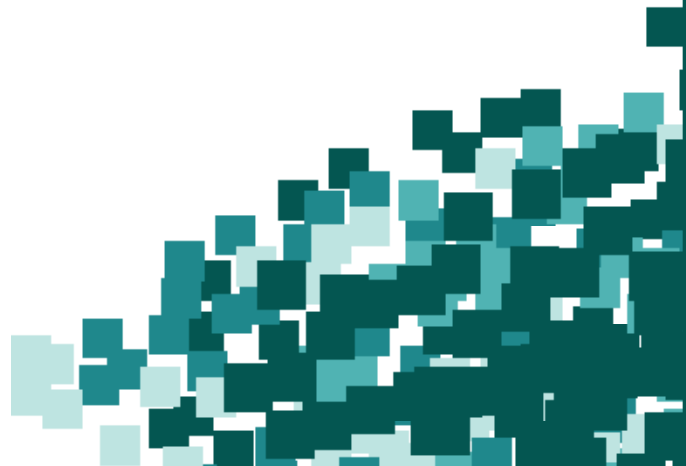
Seven years after the AllAboard Poverty Reduction Strategy was first produced, we have a clearer understanding of the challenges of setting poverty targets. We know that without a comprehensive approach, gains will only be temporary. We also know that international and macro-economic trends can derail even the most well thought out policies. Provinces like Ontario that set out targets just prior to the 2008 financial crisis set themselves up for criticism. Similarly, Newfoundland and Labrador gains in child poverty reduction could be undermined by the recent drop in oil prices. By 2013, despite some early gains, child poverty rates in Ontario were back up to where they were in 2008. The Poverty Reduction Strategy may have nonetheless mitigated some of the effects of the sharp recession. Kaylie Tiesson of the Canadian Centre for Policy Alternatives observes, “Without a strategy in place, child poverty in Ontario would have undoubtedly been worse during the recession.”¹¹

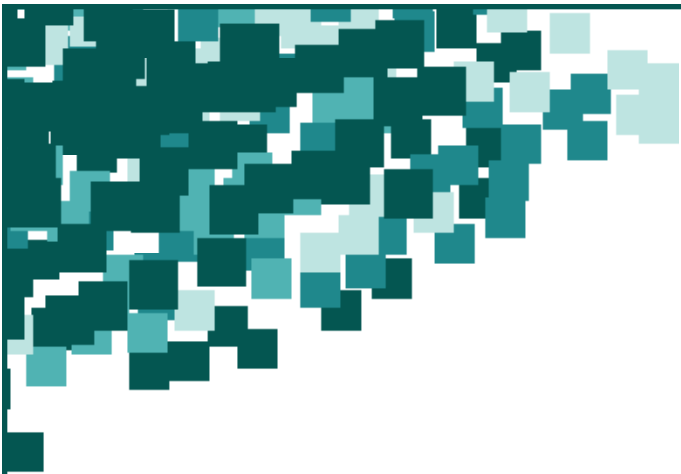
Governments are cautious about setting targets and making commitments that include some elements outside their control. The 2009 recession and more recently the fall in oil prices did put sharp constraints on the ability of provincial governments across Canada to meet economic targets, including those related to poverty reduction. However,

the challenges of meeting targets should not be an excuse for inaction. Governments frequently argue for the need to take a more business-like approach to financial accountability. The private sector frequently faces the same uncertainty created by future economic conditions. Nonetheless, private corporations routinely make “forward looking statements ... based on expectations, forecasts, predictions, projections and conclusions about future events that were current at the time.”¹²

Private sector executives expect to be held to account for meeting targets by their shareholders. Governments also set targets for cost savings, deficit reduction or revenue growth, all of which depend on factors outside their direct control. Setting targets entails stating a commitment that achieving the target is a priority. Targets should be set with the long term view in mind, recognizing that some immediate factors may affect short term performance.

Until now, Manitoba has avoided setting defined targets for poverty indicators, preferring to instead make programmatic commitments. Ultimately to overcome poverty, bolder action will be required, which will include staking political capital on meeting firm targets. Manitoba’s new government has an opportunity to set targets for poverty reduction which Manitobans can evaluate. Governments should count on an informed citizenry who should be trusted to evaluate their record based on evidence.





MEASURING POVERTY IN MANITOBA

In an analysis of AllAboard’s 2014 report, the SPCW defined poverty “as a persistent lack of resources, opportunities, choices and

power to live fully in one’s community.”¹³ This definition recognizes that both relative and absolute elements of poverty are significant. Basic biological necessities including access to food and shelter are a minimum precondition for survival, but social inclusion is also a critical determinant of health. When the resources

of a household fall too far below the norms established by society, participation is jeopardized. Access to public resources such as education and health care or opportunities for employment often require adequate resources for clothing, transportation, and communication goods which exceed those needed for bare survival. Families whose children lack access to resources enjoyed by their peers are more likely to fall behind, passing inequality to subsequent generations.

Poverty is not evenly distributed in Manitoba. Groups more likely to experience poverty include single parent households, people living alone, Indigenous families including both Metis and First Nations households, and newcomers, especially new immigrants within the last five years and non-permanent residents. As well, child poverty is unacceptably high. By one measure, it is at 29 percent - second only to Nunavut among all provinces and territories.

While the AllAboard Annual Report tracks poverty, it does not lay out concrete strategies for reducing poverty among the groups most affected. Low income rates are given for lone parent families, unattached persons,

Figure 1. Groups with above average poverty rates

Source: Statistics Canada, 2011 National Household Survey ¹⁴



Indigenous persons (off-reserve), children and seniors. Data on newcomers is lacking and Metis and First Nations poverty are not specifically separated in the report, despite these data being readily available through Statistics Canada.

Different measurement tools emphasize the absolute and relative elements of poverty to different degrees. For example, the Market Basket Measure (MBM) is a cost of living approach. It measures the cost of basic basket of goods and services for different communities across Canada. The elements of the basket of goods, including disposable income, were determined by a working group of federal, provincial, and territorial representatives and have been re-evaluated periodically – most recently in 2011. One of the advantages of the MBM is that it is calculated according to the cost of living in particular communities. Manitoba, with lower wages, housing prices and utility costs cannot readily be compared to higher wage jurisdictions. A disadvantage of the MBM is that it is complicated to calculate and the last full update of the basket of goods it considers was in 2008. As a result, the dramatic rise in housing costs over the last decade is not taken into account. As well, since it is based on a fixed basket of goods, it is less able to accommodate changing consumption patterns over time.

By contrast, the Low Income Measure (LIM) is a purely relative measure of poverty, calculated as 50 percent the median income for a household of a given size. As a direct function of median income, it is easy to calculate and update periodically. The LIM is widely used for international comparisons. It is a good indicator of the relative inequality of a society, and of the relative disparities in opportunities experienced by low income individuals, though not necessarily a measure of material deprivation. Since the LIM is set based on the national median income, it does not reflect local income levels or cost of living.

While the LIM is relatively easy to calculate given population incomes, the median income level can vary quite dramatically based on how the population is surveyed. Tax-based data collected from Canada Revenue Agency (CRA) Taxfiler data (T1FF) gives both a much lower low income threshold, and higher poverty rate, than survey-based data collected from the Canadian Income Survey (CIS) (see Appendix 1 below). Partly this is a result of First Nations on-reserve communities, which tend to have lower incomes, being excluded from some data sets. High poverty rates on First Nations communities are excluded in data derived from either the National Household Survey or the CIS. As a result, these surveys show lower poverty rates than those based on the Taxfiler data. It is also possible that some of the difference is related to how people report their income. Stigma of having low incomes may lead some Canadians to over-report their income in survey responses. We know some Canadians underreport their income to CRA, both legally and illegally, to avoid paying tax on income. This has the effect of causing the LIM threshold to vary by 20 percent or more depending on the sample used. Paradoxically, this means that T1FF survey shows both a higher poverty rate and a lower threshold than the CIS data. There is a higher proportion of families estimated to have incomes below \$34,742 per year according to tax data than there is with incomes below \$41,866 based on survey data. This discrepancy should draw attention to the high degree of uncertainty in any single poverty measure.

The Low Income Cut Off measurement combines some elements of both measures. Technically, it is based on the income levels at which families spend 20 percentage points more than average of their after-tax income on food, shelter and clothing. For example, according to consumer spending surveys, a family of four in an urban area spends 43 percent of its income on these basic necessities. So LICO is set at the income level

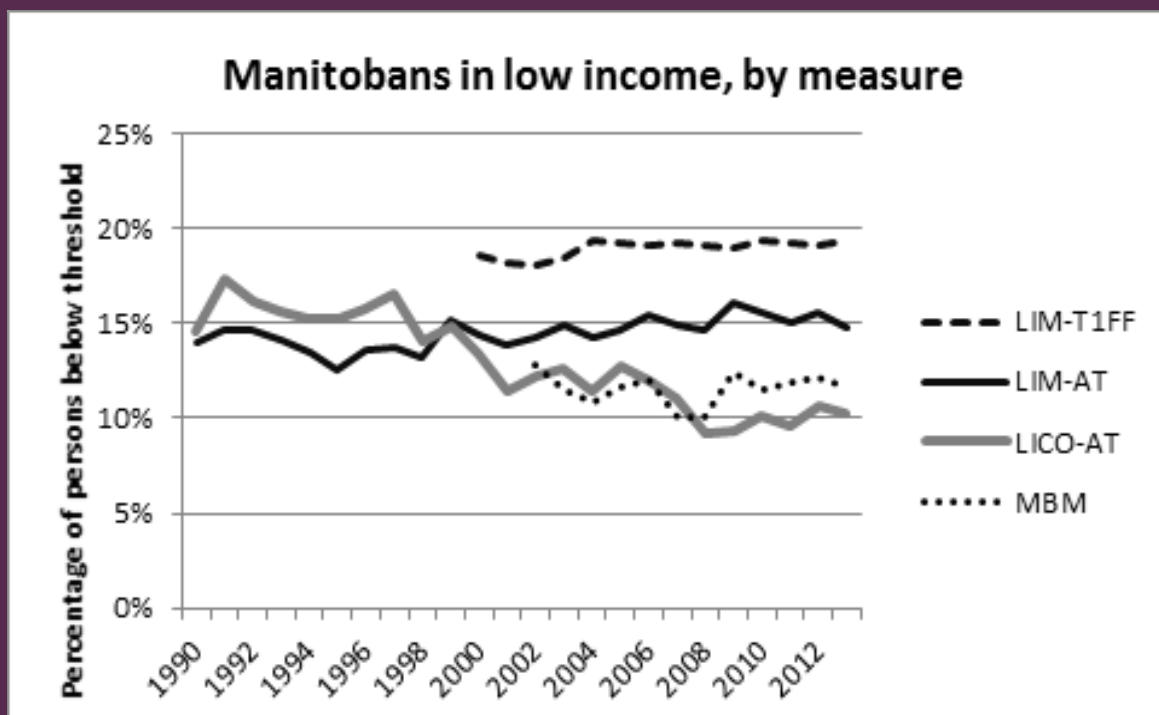
at which a family needs 63 percent of income for basic needs. The LICO threshold is the most abstract poverty level. It is perhaps best understood by way of illustration. With only 37% of her income leftover after covering basic needs, a single mother with two children in Winnipeg at the LICO level would have just \$924 per month to pay childcare, insurance, gas, school supplies, entertainment, phone bill, internet and everything else that is not clothing, food and shelter.

LICO levels are calculated both at before tax and after tax levels, each of which is useful for different functions. When comparing wage levels, before tax often provides a better base of comparison, while after tax provides a clearer indicator of consumption capacity of households. Unfortunately, the LICO level has not been recalibrated since 1992. As a result, it does not take into account the changing consumption patterns of families in recent decades or changes in the relative cost of basic necessities over that timeframe.

LICO levels vary both according to family size and the size of the community, recognizing that larger cities are often more expensive. However, LICO does not keep track of regional differences. In Manitoba, the cost of living in small remote and Northern communities is much higher than in Winnipeg, creating some distortion for poverty measurements. Another problem with LICO as a measurement is that it is complicated to calculate, and so difficult to communicate to the public the significance of the measure.

As a result of the pros and cons of each tool, a combination of measures gives us a fuller understanding of the state of poverty.¹⁵ Over time, there has been up and down fluctuation in each measurement. However, the relative performance of Manitoba by measure has shifted. Most notably, the LICO After-Tax data showed remarkable improvement over time, from more than 17 percent in 1991 to an average oscillating around 10 percent between 2008 and 2013. According to LIM based measures, there has been a slight but

Figure 2. Poverty rates in Manitoba, various measurements.



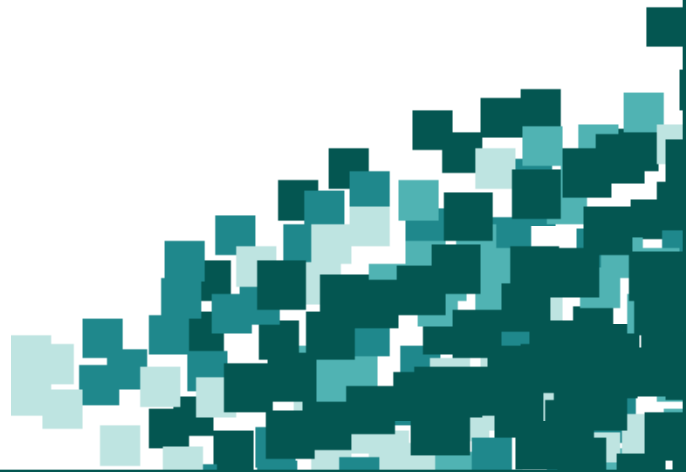
noticeable increase in rates over time, climbing from 14 to 15 percent using survey data or from just under 19 to just over 19 percent for Taxfiler data. Market Basket Measure data has fluctuated, but ends the series a little lower than started.

Lower measures better captures the depth of poverty while higher measures help us understand its breadth. Data sets should not be politicized to fit a political paradigm.

One of reasons LIM data has increased over time is that the data reflects rising national wages as a result of a commodity booms that disproportionately affected oil-driven economies in Alberta, Saskatchewan and Newfoundland and Labrador. Because LIM is based on national median income, it is a poor measure of income disparities in a local context – the level at which social exclusion is most likely to be experienced. A more realistic measure of relative poverty could be based on provincial median income. If the Province established a Manitoba LIM based on provincial median income, it could help

obviate the difficulties of nationally derived LIM data.

Each measure documents different aspects of poverty. Some measures tend to have higher thresholds and lower poverty levels than lower threshold measures. Neither a high or low threshold in itself suggests a particular policy intervention. However, lower measures better capture the depth of poverty, while higher thresholds help us better understand its breadth. Analysts in government and in the community should resist the urge to politicize data, choosing measures that make results fit a political paradigm. Multiple measures are needed to capture the fullest possible picture of poverty and to develop effective policies for ending it.





ASSESSING CHANGES IN POVERTY IN MANITOBA

Over the past year there have been several studies that have sought to quantify changes in poverty in Manitoba and Winnipeg. Different measurement tools, geographic areas and methodologies lead to confusing or seemingly contradictory results. For example, Winnipeg Harvest/Campaign 2000's annual child report found that Manitoba's child poverty rate increased 26 percent between 1989 and 2013 leaving Manitoba with the highest child poverty rate of any province.¹⁶ By contrast, Darren Lezubski and Jim Silver found significant positive improvements in poverty indicators across Winnipeg's Inner City between 1996 and 2006. The Winnipeg Street Census last fall found at least 1,400 people experiencing homelessness in Winnipeg. Last year, the 2015 AllAboard report found improvement or stability in 17 of the 21 indicators measured.

Determining the quantity of poverty is less important than understanding its human impact.

These reports leave many Manitobans asking if poverty is improving or worsening.

Paradoxical or inconclusive results make drawing conclusions difficult. However, it is a mistake to focus solely on the data of poverty. Qualitative measures and narratives from people experiencing poverty are also of value. In the end, determining the quantity of poverty is less important than understanding its human impact.

By any measure, poverty levels are too high in Manitoba. Over 100,000 Manitobans live below the Market Basket Measure, including 40,000 children. The weight of poverty wears away at human health and shortens lifespans. According to one indicator in the AllAboard report, individuals from households in the lowest income quintile have much higher rates of premature death. Compared with the highest income group, they experience two to three times the rate of potential years of life lost per 1,000 individuals. The report also shows higher rates of chronic disease such as diabetes, hypertension and arthritis.

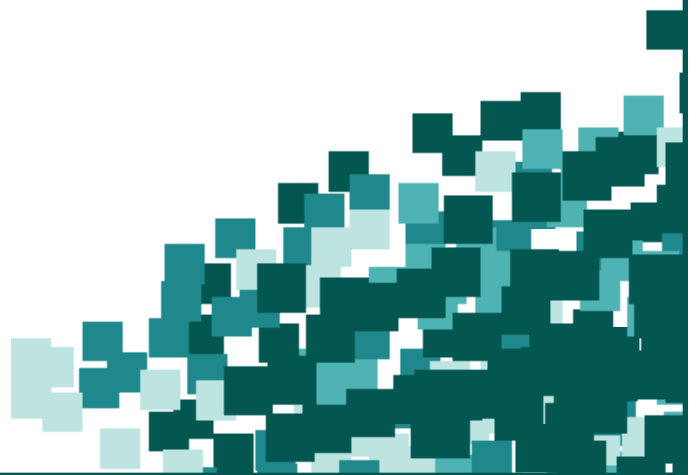
Research in British Columbia found that while the cost of ending poverty would amount to \$2.2 to \$2.3 billion annually, the cost of doing nothing was four times greater.

Poverty reduces opportunities for education and employment and passes from generation to generation. Poverty reinforces a sharp racial divide in Manitoba, and is disproportionately suffered by Indigenous people. It builds on a colonial legacy that for a century and a half has stood as a poignant affront to the commitments of "the bounty and benevolence" promised in our Treaties.

Poverty also has an economic cost for all Manitobans. Coping with the downstream impacts of poverty necessitates more intensive

public services such as Health, Justice, Child and Family Services and income assistance programs. A 2010 John Howard Society report reviewed several studies documenting the costs of homelessness compared to institutionalization, finding that Canadians spend \$412 million in one year to house the homeless through the correctional system.¹⁷ Poverty creates barriers to employment and education that lead to lifelong reduced labour force participation, lower tax revenues, and lost economic activity. Research in British Columbia found that while the cost of ending poverty would amount to \$2.2 to \$2.3 billion annually, the cost of doing nothing was four times greater.¹⁸ However, beyond the direct and indirect economic costs of poverty, there is a moral cost we all bear. In a wealthy society, the presence of severe absolute and relative deprivation scars our social and political fabric, impoverishing all of us. The testimony given by Michael Creek, a Toronto-based social activist, to a federal poverty committee in 2009 continues to apply in Manitoba: “The cost of not fighting poverty in Canada is not one anyone of us can afford. We are weaker as a people and we are weaker as citizens and we are weaker as a nation when we leave so many behind.”¹⁹

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ALLABOARD INDICATORS

According to the 2014-15 AllAboard annual report, there was stability or improvement in 17 out of the 21 indicators. The new 2015-16 report found improvement or stability in 15 out of 21 indicators. Because the new report does not provide analysis of the indicators, it is difficult to determine the significance of the decline in number of improved indicators. One of the indicators showing improvement in 2015 but an increase in 2016 was the MBM poverty rate. This was a result of a change in the measurement survey by Statistics Canada in 2012 that made cross comparison between 2014 results and earlier surveys. The 2015 report changed the baseline comparison to 2012 to account for this change. The new report uses the 2008 as a comparison despite their incomparability.

The ability to evaluate that success is complicated by the short time frame of analysis. Many of the indicators cover periods only up to 2012/13. The baseline of 2008 gives only a few years of analysis. The effects of policy changes in the past few years are impossible to review. Worse still, the loss of data from cancelling the 2011 Census left a gap. Five of the indicators used Survey of Labour Income and Dynamics (SLID) for source data, but Statistics Canada replaced the SLID with the Canada Income Survey, which

uses a different methodology, in 2012. Given the limitations of the data, any conclusions about the progress of poverty reduction should be approached with caution.

These 21 indicators include both measures of programs and population. In strategic planning, both sets of variables are important. The first set represents things that are directly under the control of government. The second are economic social and health variables that are the hoped for results of the programs implemented. Some of the indicators combine program and population measurement. Success may be judged partly according to the implementation of programs as promised. However, what is most critical is the effect of the programs for reducing poverty in Manitoba.

SPCW more thoroughly reviewed the 21 indicators in our 2014 report “SPCW Review: ALL Aboard Annual Report 2013-2014”.²⁰ On the whole, indicators show continuity from previous years’ report, and much of what we argued continues to hold true. Below, we provide a short summary of the main trends in each of the four pillars.

PILLAR ONE: SAFE AND AFFORDABLE HOUSING

Manitoba has made considerable investments in social and affordable housing in recent years, with commitments of 2000 units of social and 2000 units of affordable housing since 2009. However, the total stock of social housing has not increased by the same extent. The ending of federal operating agreements and the lack of a national housing plan has partly offset these investments. The AllAboard report, actually shows a small decrease in Manitoba Housing and Renewal Corporation (MHRC) units over the past two years from 31,854 to 31,382. Although the multi-year trend is up 3.7 percent since 2009, the growth

of new social and affordable housing is less than had been expected. Moreover, since some of this growth has been “affordable housing” targeted to moderate income households, some of this new housing is not available to the poorest Manitobans who require Rent-Geared-to-Income (RGI), social housing.

The data reported by AllAbroad does seem to show a positive trend towards reduced core housing need, dropping from 11.3 percent to 10.3 percent between 2006 and 2011. Core housing need represents the number of households who live in housing that is unaffordable (costing more than 30 percent of income), unsuitable (with insufficient rooms for the size of the household) or inadequate (requiring major repairs). The drop in core housing need in Manitoba reflects a national trend. Core housing need is lower in Manitoba than the rest of Canada, partly due to the lower cost of housing as well as to the wider availability of subsidized housing in Manitoba than some other provinces.

A positive development not yet reflected in this year’s AllAboard report was the full implementation of Rent Assist, completed in December 2015. This new benefit will increase subsidies for low income households, including those receiving EIA and those not on EIA, to 75% of Median Market Rent.

PILLAR TWO: EDUCATION, JOBS AND INCOME SUPPORT

Pillar Two includes high school graduation rates, participation in adult learning programs, employment rates, average weekly earnings, low income rates, income inequality, and post-secondary education participation. Trends for some of these indicators such as wages, high school graduation and post-secondary enrollment are up in recent years, as they have been in most wealthy countries over the past several decades. These long-term international trends, such as the rise of average wages, make it difficult to judge the effect of provincial policies in advancing them. Moreover, since most Manitobans are not living in poverty, changes in population level statistics do not provide strong evidence of the effectiveness of a provincial poverty strategy.

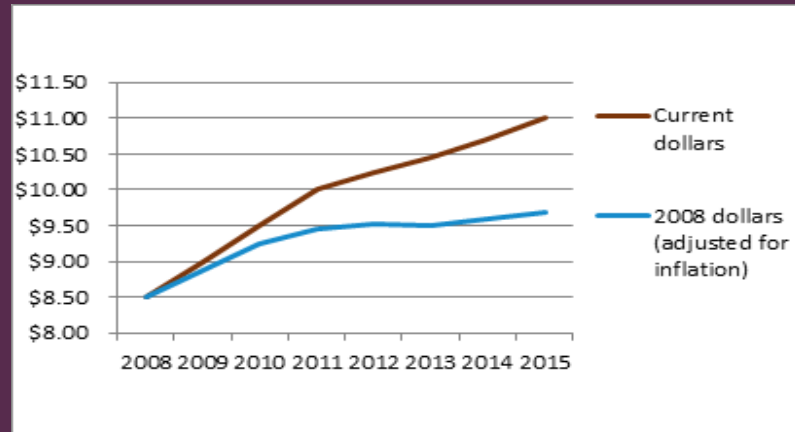
The richest 20 percent of Manitobans still live on incomes 8 times higher than the poorest 20 percent.

A positive sign is that there was a reduction of inequality between 2012 and 2014 in Manitoba. The lowest three quintiles all

Table 2: Income changes in Manitoba by quintile, 2012 to 2014

| Quintile | 2012 | 2013 | 2014 | Increase (2012-2014) |
|----------|-----------|-----------|-----------|----------------------|
| Lowest | \$15,450 | \$16,150 | \$17,400 | 12.6% |
| Second | \$33,000 | \$35,000 | \$36,050 | 9.2% |
| Third | \$50,850 | \$53,050 | \$54,600 | 7.4% |
| Fourth | \$74,100 | \$74,850 | \$78,700 | 6.2% |
| Highest | \$127,350 | \$130,100 | \$135,700 | 6.6% |

Figure 3: Minimum wage rates in Manitoba (2008 to 2015)



had larger income gains than the top two income quintiles. However, this is based on only two years, and much more data will be needed to know if this is a long-term trend. Moreover, these data show ongoing extremes of inequality that were only moderated to a small extent in 2013: the richest 20 percent of Manitobans still live on incomes 8 times higher than the poorest 20 percent.

Minimum wage is closely tracked by people living in poverty. Provincial policy sets the base level which employers must pay their workers. Minimum wage has gradually increased over the past 15 years, but not quickly enough to raise all working families out of poverty. Make Poverty History Manitoba has calculated that a minimum wage of \$15.53 per hour is needed for a single parent with one child to get above the poverty line when working full time, this is more than four dollars higher than the minimum wage.²¹

Minimum wages increased every year of the AllAboard strategy, but in some years the increase was only enough to match inflation. Increases have not been enough to close the gap between minimum wage earnings and the poverty line. To date, the Province has not announced an increase in minimum wage for 2016. To close the gap in future larger increases will be necessary.

PILLAR THREE: STRONG HEALTHY FAMILIES

Indicators include: early development scores, availability of licensed child care, number of children in care, teen birth rates, potential years of life lost by income quintile, and prevalence of chronic diseases by income quintile.

One of the most distressing facts of poverty in Manitoba is the extent it weighs on health. The Manitoba Centre of Health Policy has calculated that some low income children can expect to live eight years shorter than their wealthier counterparts. Access to health is a basic right, but in Manitoba this right is not shared equally by all citizens.

Access to health is a basic right, but in Manitoba this right is not shared equally by all citizens.

Since 2008 there has been some improvement in this disparity. A disproportionate share of the gains in life expectancy have been experienced by lower income Manitobans. Particularly for rural residents, the gap between rich and poor in years of life lost

dropped. However, the gap remains stark with higher rates of years of life lost for men, Northern residents, First Nations and those with low incomes.

Manitoba has one of the highest rates of children in care of Child and Family Services in Canada. The large majority of children in care are Indigenous (87%). This continues to be one of the biggest stumbling blocks for reconciliation. A positive sign is that the number of children in care did not increase in 2015. There was a small decrease of 200 children in care in 2016. However, at more than 10,000, much more needs to be done to reduce the number of children in care. Manitoba should proceed with the implementation of the recommendations from the Truth and Reconciliation Commission in regards to child care. These recommendations include as their first call to action a request to “the federal, provincial, territorial, and Aboriginal governments to commit to reducing the number of Aboriginal children in care by:

- i. Monitoring and assessing neglect investigations.
- ii. Providing adequate resources to enable Aboriginal communities and child-welfare organizations to keep Aboriginal families together where it is safe to do so, and to keep children in culturally appropriate environments, regardless of where they reside.
- iii. Ensuring that social workers and others who conduct child-welfare investigations are properly educated and trained about the history and impacts of residential schools.
- iv. Ensuring that social workers and others who conduct child-welfare investigations are properly educated and trained about the potential for Aboriginal communities and families to provide more appropriate solutions to family healing.
- v. Requiring that all child-welfare decision makers consider the impact of the residential school experience on children and their caregivers²²

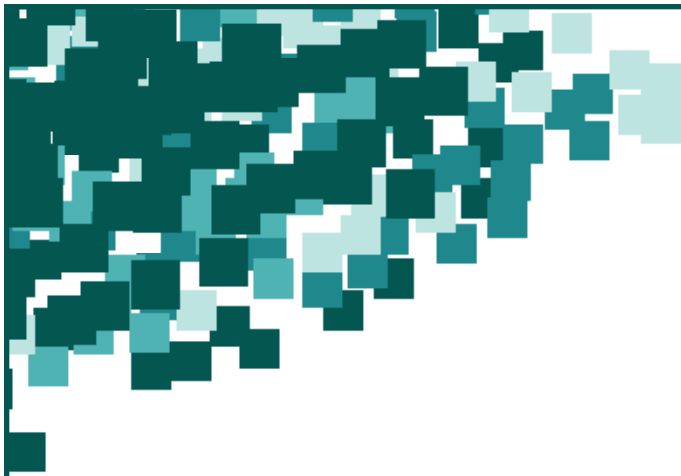
PILLAR FOUR: ACCESSIBLE COORDINATED SERVICES

Includes: number of people receiving coordinated care home services, continuity of physician care, and number of people using access services.

In last year’s report, we argued that “While the SPCW understands that Pillar Four is useful for the Province to measure its service capacity, we do not feel it can measure poverty reduction in any meaningful way.” One of the concerns with using programmatic measures such as those included under pillar four are that they may often capture increased demand as a result of increased poverty. The growing cost of the health care system in Manitoba is partly a result of the increased demand for services that is caused by poverty.

A preventative approach to health care would not be captured by statistics that primarily concentrate on demand for service. For example, increases in the number of persons receiving coordinated home services may be an indication that need is being better met, or it may be an indication that demand is increasing. We agree that the Home Care Program is important, and provides valuable services helping vulnerable Manitobans remain in the community. However, without an indicator of how much of the need is being met and further context for the success of the program, it is difficult to conclude that the size of health programs are clear measures of poverty or of poverty reduction.





CONCLUSION AND RECOMMENDATIONS

After five years, Manitoba has made some gains in some areas of poverty reduction. However, poverty remains a destructive condition that afflicts the lives of more than 100,000 Manitobans. Manitoba should not turn away from the aspects of the strategy that have shown measurable success, but neither can we afford complacency. Completing a renewed poverty reduction strategy, based on proven strategies and on consultation with people living in poverty should be a priority for Manitoba's government in the coming year and every year after that.

RECOMMENDATIONS

- Focus on comprehensive approach to poverty reduction, that address the multiple causes of poverty, with attention to those populations most affected by poverty.
- Include clear targets and timelines for the implementation of measurable goals for poverty reduction.
- Consider multiple measures of poverty to ensure the full scope of poverty reduction is considered including both relative and absolute poverty measures as well as measures of the depth of poverty.
- Develop a provincially-based low income measure, based on median Manitoba incomes to better track relative poverty within the province.
- Include people with experience of poverty in the consultations for developing both the indicators and measures of the strategy.
- Where possible, use measures that can be consistently tracked over time so that data remains comparable.
- Focus on strategies that reduce the root causes of poverty, with consideration of the social determinants of health.
- Key investments in poverty reduction priorities already identified by community advocates, especially in child care, community mental health, minimum wage, social housing, and EIA rates.
- Coordination with other levels of government, including federal, municipal and Indigenous governments will be necessary for the successful implementation of the strategy.

ENDNOTES

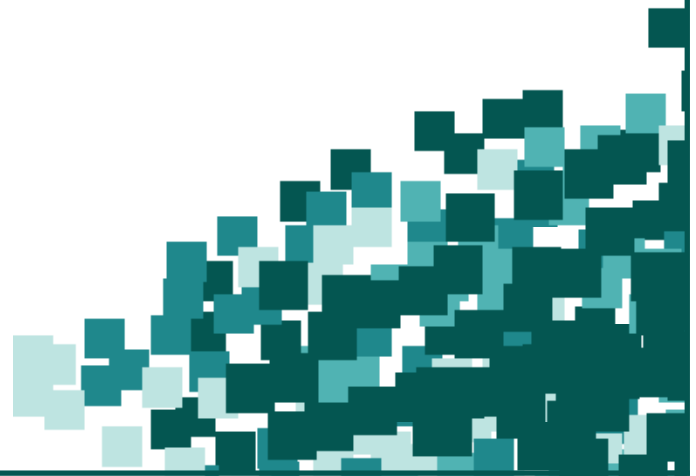
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APPENDIX 1

Low Income Thresholds for Winnipeg (2013) – various measures

| Source: | Tax Filer Data | Statistics Canada – (Canada Income Survey) | | | Canadian Centre for Policy Alternatives | Winnipeg Harvest |
|--------------------------------|------------------|---|----------|----------|---|-------------------------|
| Measure: | LIM-AT (T1FF) | LIM-AT | LICO-AT | MBM | Living wage (2013) | A.L.L. (2012) |
| Family Type | | | | | | |
| Single individual | \$17,371 | \$20,933 | \$19,774 | \$17,469 | N/A | \$18,090 to \$22,607 |
| Two person | \$24,319 | \$29,603 | \$24,066 | \$24,705 | \$31,013 | N/A |
| Single parent, two children | \$29,531 | \$36,256 | \$29,968 | \$30,257 | N/A | \$38,152 |
| Couple, two children | \$34,742 | \$41,866 | \$37,387 | \$34,938 | \$51,215 | \$52,548 |

Sources:

LIM-AT (T1FF): Statistics Canada. 2015. Annual Income Estimates for Census Families and Individuals (T1 Family File).

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APPENDIX 2

Poverty Indicators and sources tracked by AllAboard

Poverty Reduction and Social Inclusion Indicators Regulation Schedule (Section 1)

| | Indicator | Source of Information |
|----|--|--|
| 1 | High school graduation rate | Manitoba Department of Education |
| 2 | Participation in adult learning programs | Manitoba Department of Advanced Education and Literacy |
| 3 | Average weekly earnings | Statistics Canada, Labour Force Survey |
| 4 | Employment rate | Statistics Canada, Labour Force Survey |
| 5 | Minimum wage rate | Manitoba Department of Family Services and Labour |
| 6 | Low income rate | Statistics Canada, Survey of Labour and Income Dynamics |
| 7 | Income inequality | Statistics Canada, Survey of Labour and Income Dynamics |
| 8 | Post-secondary education participation | Statistics Canada, Labour Force Survey (Custom Tabulation) |
| 9 | Early development instrument scores | Healthy Child Manitoba Office |
| 10 | Availability of child care | Manitoba Department of Family Services and Labour |
| 11 | Number of children in care | Manitoba Department of Family Services and Labour |
| 12 | Teen birth rate | Manitoba Department of Health, Statistics Canada, Vital Statistics (Custom Tabulation) |
| 13 | Potential years of life lost by income quintile | Manitoba Department of Health |
| 14 | Prevalence of chronic diseases by income quintile | Manitoba Department of Health |
| 15 | Continuity of physician care | Manitoba Department of Health |
| 16 | Average number of persons receiving coordinated home care services | Manitoba Department of Health |
| 17 | Number of people using Access Centres | Manitoba Department of Health, Manitoba Family Services and Labour |
| 18 | Total units of social and affordable housing supported by Manitoba Housing and Renewal Corporation | Manitoba Department of Housing and Community Development |
| 19 | New households served through Manitoba Housing and Renewal Corporation programs and services | Manitoba Department of Housing and Community Development |
| 20 | Households in core housing need | Canada Mortgage and Housing Corporation |
| 21 | Sense of community belonging | Statistics Canada, Canadian Community Health Survey |



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