



# Together We Raise Tomorrow.

## Alberta's Poverty Reduction Strategy

### Fact Sheet: Child Poverty in Alberta

**This fact sheet describes some key issues and trends about child poverty in Alberta. The following facts use the standard poverty indicators of LICO (Low-Income Cut-Off), LIM (Low-Income Measure), and MBM (Market Basket Measure).**

**While the rate of child poverty has decreased since 2009, it remains particularly prevalent among young children and children in Aboriginal, immigrant, and lone-parent families.**

- In 2010, there were 91,000 Albertan children under the age of 18 (11.3 per cent) living below the low-income measure. However, the statistics for younger children are slightly higher: 1 in 6 children under the age of 6 (17.2 per cent) are living with low-income families, totaling 48,200 young children living in poverty.<sup>i</sup>
- Canadian studies estimate that 20 to 25 per cent of children living in poverty will remain in poverty as adults. The intergenerational cost of poverty for Alberta is estimated to be between \$473 - \$591 million.<sup>ii</sup>
- Children are at a particularly high risk of poverty if their families are Aboriginal, recent immigrants, lone-female headed households, or have disabilities or low levels of education.
- While the rate of child poverty in Alberta modestly reduced from 2009 to 2010, it still remains above pre-recession poverty levels.<sup>iii</sup>
- Alberta children and their families, on average, experience a greater depth and persistence of poverty compared to other Canadian provinces. While one in eight low-income Albertan children experienced poverty for the entire duration of 1999 – 2004, only one in 12 low-income Canadian children experienced poverty for that same duration.<sup>iv</sup>

**Child poverty statistics often reflect the prevalence of family poverty, and some types of households and families are particularly vulnerable to economic disadvantage and underemployment.**

- In 2006, 7.8 per cent of Albertans lived in female lone-parent families and 1.9 per cent lived in male lone-parent families. Of lone-parent families in Alberta, 82 per cent are headed by women.<sup>v</sup>
- The prevalence of low income was five times higher in lone-parent families with children, compared to couple-parent families with children.<sup>vi</sup>
- Female lone-parent families with children have the highest poverty levels in Alberta, at 30.5 per cent. This is compounded with increased rates of low levels of educational attainment – individuals in lone-parent families with children without a high school diploma had a low income rate of 37.5 per cent.<sup>vii</sup>
- Even among university-educated single mothers, the low-income rate is twice that of the overall population.<sup>viii</sup>

- People in female, lone-parent families had the lowest average employment income, at \$24,259. Single mothers also have one of the highest unemployment rates in the province, at 7.8 per cent (second only to Aboriginal individuals, with an unemployment rate of 11.1 per cent).<sup>ix</sup>
- Women make up the majority of Alberta's low-wage workforce. In 2012, 66 per cent of low-wage workers in Alberta (individuals working for \$15/hour or less) were women.<sup>x</sup>
- The majority of low-income children and families can be described as "working poor" – 78 per cent of low-income children in Alberta live in families with at least one parent working part-time or part of the year. One in three children live in families with at least one parent working full-time, year-round.<sup>xi</sup>
- The annual market income of the poorest 10 per cent of Albertan families only increased \$5,000 from 1994 – 2006, in contrast to a \$107,000 increase for the richest 10 per cent of families.<sup>xii</sup>
- Low-income families are particularly vulnerable to accumulating household debt, and Alberta has a higher debt-to-income ratio than the Canadian average (143 per cent compared to 127 per cent nationally).<sup>xiii</sup>
- Full-day kindergarten and high-quality early childhood programs are beneficial for low-income families, especially new immigrant families who require support with language learning for their future educational success.<sup>xiv</sup>

**Children in Alberta's urban centres are more likely to live in poverty, despite increased social resources and employment opportunities in these centres.**

- In Alberta, the low income rate increases as the size of the community increases. In rural communities, the low income rate is 4.9 per cent, compared to the provincial average of 9.1 per cent. Non-rural communities with a population under 30,000 (i.e. Airdrie, Lloydminster, Okotoks) report that 5.6 per cent of their population lives in poverty, while communities with a population between 30,000 – 100,000 (i.e. Red Deer, Lethbridge, Medicine Hat) report a rate of 7.9 per cent.<sup>xv</sup>
- For urban centres with a population greater than 500,000 (Calgary and Edmonton) the low-income rate is 11.4 per cent.<sup>xvi</sup>
- The percentage of low-wage workers (employed at \$15/hour or less) in Calgary and Edmonton roughly reflects the provincial average, at approximately 24 per cent.<sup>xvii</sup>

**Aboriginal, new immigrant, visible minority, and non-English/French speaking children and their families are more vulnerable to circumstances of poverty and financial insecurity. Children of female-headed lone parent households, families with disabilities, and families with low levels of education are also at an increased risk.**

- Aboriginal and visible minority individuals have a higher low-income rate than the general population of Alberta. While 9.1 per cent of Albertans live in poverty, visible minorities and Aboriginals are overrepresented at 15.8 per cent and 19.2 per cent respectively.<sup>xviii</sup>
- University-educated visible minority Albertans have a higher low-income rate (13.7 per cent) compared to visible minorities with non-university certificates or diplomas (11.9 per cent).<sup>xix</sup>
- Almost 1 in 3 Aboriginal individuals in Alberta does not have a high school diploma (29.7 per cent), and Aboriginals without a high school diploma have a low-income rate of 24.3 per cent. The low-income rate of university-educated Aboriginals is slightly lower than the provincial average, at 8.7 per cent.<sup>xx</sup>
- 30 per cent of Aboriginal children and 21.2 per cent of visible minority children aged 5-18 live in poverty.<sup>xxi</sup>
- While recent immigrants, on average, have higher levels of educational attainment than the general population of Alberta, their low-income rates are considerably higher. Recent immigrants (less than 5

years in Canada) have a low-income rate of 25.6 per cent, and this rate reduces for immigrants the longer they have lived in Canada.<sup>xxii</sup>

- 23.2 per cent of children aged 5-18 who recently immigrated (less than 5 years ago) live in poverty.
- While only 1 per cent of Alberta's population have no working knowledge of English or French, the low-income rate for this population is 20.1 per cent.<sup>xxiii</sup>
- Just over 1 in 10 Albertans with a disability (11.8 per cent) live in poverty.<sup>xxiv</sup>

### **Child poverty has long-term developmental, social, and economic consequences for individuals, their families, and the province.**

- The effects of child poverty last well into adulthood. Research demonstrates that children in poverty experience significant challenges including poorer health outcomes, learning difficulties, academic underachievement, lower literacy rates, a decreased likelihood of completing high school and post-secondary education, increased exposure to violence, and lower incomes as working adults.<sup>xxv</sup>
- From Vibrant Communities Calgary's estimation, if 25 per cent of children in poverty at the time of study (73,000 province-wide) remain in poverty as adults, Alberta will lose \$586 million in market income and \$78 million in income tax.<sup>xxvi</sup>
- In addition to the intergenerational costs of poverty, Vibrant Communities Calgary estimates that the total cost of poverty to Alberta each year ranges from \$7.1 - \$9.5 billion. This includes health care, crime, and opportunity costs.<sup>xxvii</sup>

**For more information on Alberta and Albertans, visit the Alberta Official Statistics website at <https://osi.alberta.ca/osi-content/Pages/OfficialStatistics.aspx>.**

### **Sources and Notes:**

<sup>i</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2012). "Achieving The Promise: Ending Poverty in Alberta". Retrieved from [http://pialberta.org/sites/default/files/Documents/Achieving\\_per\\_cent20the\\_per\\_cent20Promise\\_per\\_cent202012\\_per\\_cent20\\_per\\_cent20Report\\_0.pdf](http://pialberta.org/sites/default/files/Documents/Achieving_per_cent20the_per_cent20Promise_per_cent202012_per_cent20_per_cent20Report_0.pdf).

<sup>ii</sup> Vibrant Communities Calgary (2012). "Poverty Costs: An Economic Case for a Preventative Poverty Reduction Strategy in Alberta". Retrieved from [http://www.vibrantcalgary.com/uploads/pdfs/Poverty\\_Costs.pdf](http://www.vibrantcalgary.com/uploads/pdfs/Poverty_Costs.pdf).

<sup>iii</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2012). "Achieving The Promise: Ending Poverty in Alberta". Retrieved from [http://pialberta.org/sites/default/files/Documents/Achieving\\_per\\_cent20the\\_per\\_cent20Promise\\_per\\_cent202012\\_per\\_cent20\\_per\\_cent20Report\\_0.pdf](http://pialberta.org/sites/default/files/Documents/Achieving_per_cent20the_per_cent20Promise_per_cent202012_per_cent20_per_cent20Report_0.pdf).

<sup>iv</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2008). "We Can Do Better: Toward an Alberta Child Poverty Reduction Strategy for Children and Families". Retrieved from [http://pialberta.org/sites/default/files/Documents/Report\\_2008\\_We-Can-Do-Better.pdf](http://pialberta.org/sites/default/files/Documents/Report_2008_We-Can-Do-Better.pdf).

<sup>v</sup> Statistics Canada (2006). Special tabulation, based on 2006 Census.

<sup>vi</sup> Ibid.

<sup>vii</sup> Ibid.

<sup>viii</sup> Ibid.

<sup>ix</sup> Ibid.

<sup>x</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2012).

<sup>xi</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2008).

<sup>xii</sup> Ibid.

<sup>xiii</sup> Vibrant Communities Calgary (2012).

<sup>xiv</sup> Public Interest Alberta, Edmonton Social Planning Council, and Alberta College of Social Workers (2012).

<sup>xv</sup> Statistics Canada (2006).

<sup>xvi</sup> Ibid.

<sup>xvii</sup> Public Interest Alberta (2012). "Statistics of Low Wage Workers in Alberta". Retrieved from <http://pialberta.org/content/418900-employed-albertans-earning-less-15hour#Fact%20Sheets>.

<sup>xviii</sup> Statistics Canada (2006).

<sup>xix</sup> Ibid.

<sup>xx</sup> Ibid.

<sup>xxi</sup> Ibid.

<sup>xxii</sup> Ibid.

<sup>xxiii</sup> Ibid.

<sup>xxiv</sup> Ibid.

<sup>xxv</sup> Public Interest Alberta (2012).

<sup>xxvi</sup> Ibid.

<sup>xxvii</sup> Vibrant Communities Calgary (2012).