



Child and Family Poverty in Saskatchewan: November 2010

115,000 Saskatchewanians, including 33,000 children, live in poverty.

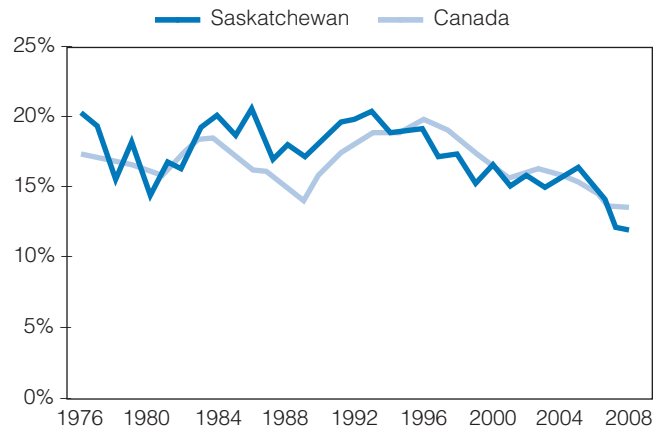
New data¹ from Statistics Canada for the year 2008 show that Saskatchewan has an overall poverty rate of 12.1%. This represents 115,000 people — equivalent to more than half the population of Regina — living below the poverty line. Of those, 33,000 are children under the age of 18.

In recent years, Saskatchewan's poverty rate has fallen below the national rate. This trend continues in 2008 with the provincial poverty rate slightly below the national rate of 13.6%, or 4,426,000 people (Chart 1).

Saskatchewan has suffered less from the economic recession than other parts of the country that experienced large scale layoffs and high unemployment beginning in 2008. Demands for Saskatchewan's natural resources have contributed to the province's economic expansion and its success in weathering the recession through 2008. It remains to be seen if the decline in the provincial poverty rate will continue.

A recent report indicates that Saskatchewan food banks assisted more people in March 2010 than one year earlier, with usage jumping a remarkable 20%. A large part of this increase is concentrated in Saskatoon and Regina, although smaller food banks also report a significant increase in service demand.² These reports for 2009 and 2010 suggest that poverty remains persistent in the province.

Chart 1: Percentage of All Persons in Poverty, Saskatchewan and Canada, 1976-2008



Source: Statistics Canada. Income in Canada 2008. Table 2020802.

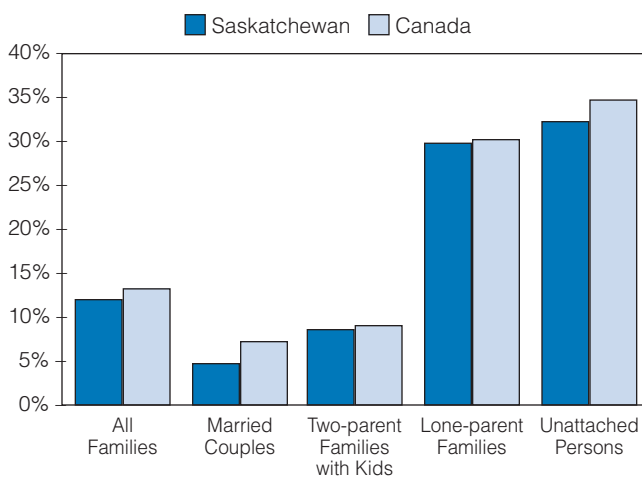
High poverty rates for Aboriginals, the unattached and lone parent families.

Poverty rates vary across and within regions, communities, neighbourhoods and demographic groups. For instance, poverty is severe among Saskatchewan's Aboriginal population. Although Aboriginal peoples are making gains in Saskatchewan, 37% live at or below the poverty line.³ Since the Aboriginal population living on reserves is excluded from Census numbers, the poverty rate for Aboriginal people may be understated.

Among all poor people in Saskatchewan, though, the majority are non-Aboriginal. Census data⁴ show that of the 130,000 individuals living below the poverty line in 2005 in Saskatchewan, 95,000 (73%) were non-Aboriginal. Even if poverty on reserves is included, we estimate approximately 60% of Saskatchewan's poor are non-Aboriginal.⁵

Many of the poor are adults who live outside families as unattached individuals.⁶ Of the 130,000 poor individuals accounted for in the 2006 Census, 46,000 were unattached individuals aged 15 or more. Most (40,000) of these people were non-Aboriginal. The data for 2008 show little change: the poverty rate for unattached persons — approximately one in three — is much greater than for individuals living in families (Chart 2).

Chart 2: Percentage of Persons in Poverty by Family Type, Saskatchewan and Canada, 2008



Source: Statistics Canada. Income in Canada 2008. Table 2020804.

As well as unattached individuals, lone-parent families are overrepresented among those with low-income status; both of these groups fare much worse economically than do persons who are married, either with or without children.

Married families are more likely to have at least one person employed full time outside the home thereby reducing the rate of poverty. For lone-parent families as a group, the obstacles to enjoying stable long-term employment are many and may include the psychological stress of singlehandedly juggling work, household and family caregiving demands; access to quality child care, reliable transportation and decent housing; and inflexible workplaces. Still, female lone-parent families are more likely to be poor than male-headed lone-parent families largely because of gender gap issues, particularly wage disparity.⁷

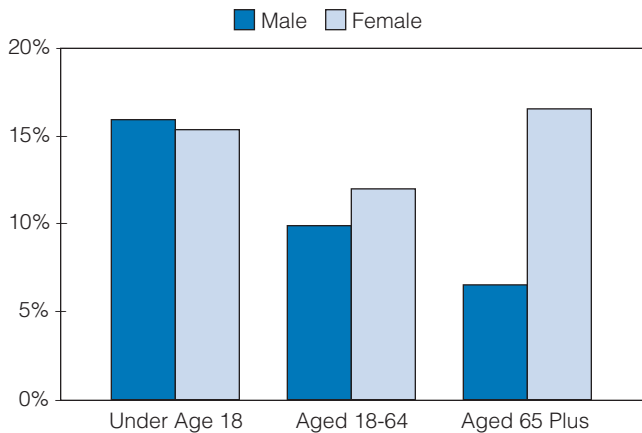
Full-time working women earn 71¢ for every dollar earned by men. Part-time and seasonal workers earn 54¢, women of colour earn 38¢, and Aboriginal women a mere 46% of what men are paid.⁸ In 2007, the average earnings of women working full-time, full-year (\$44,700) were only 71.4% of those of their male counterparts (\$62,600). Further, women are more likely to be working in part-time or precarious jobs.⁹

Even with the important gains made by lone mothers since the mid-1990s, on average, their incomes remain considerably lower than those of male lone-parent households. In 2007, female lone-parent families in Canada had an average after-tax income of \$39,500, or about 76% of male lone-parent families (\$52,100).¹⁰

Poverty is more common for females than males, particular in the senior years.

Indeed, poverty among adult females is greater than among adult males, regardless of living situation. In 2008 in Saskatchewan, the poverty rate was 10.8% for males and 13.4% for females. For male and female children under age 18, poverty rates are about the same: 15-16% (Chart 3). But among adults aged 18-64, the female poverty rate is 12.0%, above the 9.8% rate for males.

Chart 3: Percentage of Males and Females in Poverty by Age, Saskatchewan, 2008



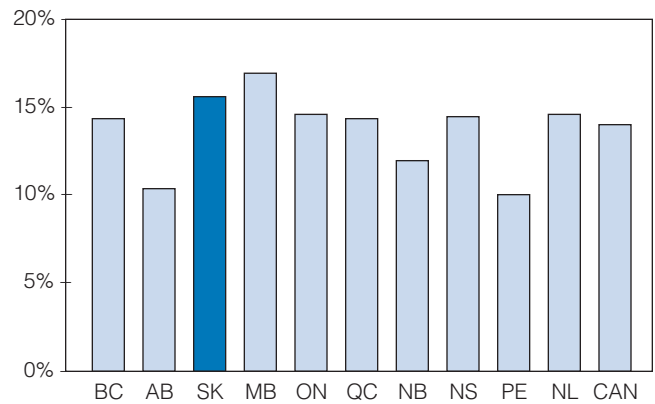
Source: Statistics Canada, Income in Canada 2008. Table 2020802.

The situation is more extreme for female seniors. They experience a poverty rate of 16.6% compared to 6.4% for male seniors. Among the reasons for this difference are lower earnings and smaller pensions for women, along with a longer life expectancy. Poverty among elderly females remains a serious problem, but it has declined since the mid-1970s when almost one-half of elderly females lived in poverty. Expansion of the Canada Pension Plan and Old Age Security, along with the growth of women’s employment and private pension plans, have reduced poverty rates for seniors over the last thirty years.¹¹

15.6% of all children live in families with incomes below the poverty line.

Children under 18 years also experience high poverty rates. In Saskatchewan the child poverty rate is 15.6%, meaning 33,000 children in this province live in poverty. This rate is higher than the Canadian average at 14.2%, or 950,000 children (Chart 4). In fact, Saskatchewan and Manitoba have the highest provincial child poverty rates for 2008. Despite Saskatchewan’s huge economic gains over the past few years, not all of its children have benefitted; about one in six live in households below the poverty line.

Chart 4: Percentage of Poor Children Under Age 18, by Province, 2008



Source: Statistics Canada, Income in Canada, 2008. Table 2020802.

Nearly 20% of children under age six live in a low-income household.

In Saskatchewan, 19.6% or 13,500 children under 6 years live in households with incomes below the poverty line. Across Canada the average is 15.3% (315,900 children). This makes Saskatchewan, along with British Columbia, the province with the highest early childhood rate of poverty.

A high poverty rate within this age group can be attributed in large part to the fact that the parents of very young children are generally young themselves and have less work experience, earn less and carry more debt than parents of older children.¹²

While Saskatchewan’s population of children under age 18 has declined for over thirty years, there has been an upturn in the number of births since 2005 and this means the number of children younger than age 6 is increasing. A high rate of poverty at this age means there is an increasing portion of childhood poverty concentrated at the very youngest ages. The evidence from many countries consistently shows that individuals who spend their young formative years in poverty are

more likely to be in poor health, to have learning and behavioural difficulties, to underachieve at school, to become pregnant at too early an age,

to have lower skills and aspirations, to be low paid, unemployed, and welfare dependent. While many children of low-income families do not fall into any of these categories, the fact is on average children who grow up in poverty are likely to be at a decided and demonstrable disadvantage.¹³

Children in female-headed lone-parent families suffer a high rate of poverty.

Children under 18 years living in female-headed lone-parent families are particularly vulnerable to poverty. Only in the last few years has the provincial poverty rate for this group of children decreased from a long-standing average well above 50% to 36.9% in 2008, slightly below the national average of 38.1%. In comparison, the child poverty rate in two-parent families in Saskatchewan stands at 10.9%.

45% of Aboriginal children live in low-income households.

The most recent Census data¹⁴ shows that in Saskatchewan, 45% of Aboriginal children under age 15 live in low-income families, compared with 13% of non-Aboriginal children. For children under age 6, the disparity is even greater: 51% of Aboriginal children and 15% of non-Aboriginal children live in poverty.¹⁵ For those reporting a North American Indian origin, 65% of children under age 6 had low income, with the rate for Métis children at 34%. Unfortunately, Statistics Canada provides no estimates of poverty rates for children living on reserves.

Table 1 shows that within Saskatchewan’s three largest cities — Prince Albert, Regina, and Saskatoon — Aboriginal children under age 15 are much more likely to be poor than non-Aboriginal children. The gap is somewhat smaller in Prince Albert, but for all cities the poverty rate for Aboriginal children is more than three times that for non-Aboriginal children.

Table 1. Percentage of Aboriginal and Non-Aboriginal people and children in poverty, Prince Albert, Regina, and Saskatoon, 2005

	All ages		Children under age 15	
	Aboriginal	Non-Aboriginal	Aboriginal	Non-Aboriginal
Sask. City				
Prince Albert	38	12	47	15
Regina	43	11	52	13
Saskatoon	45	13	56	14

Source: Statistics Canada, 2006 *Aboriginal Profile for Prince Albert*, 2006 *Aboriginal Profile for Regina*, 2006 *Aboriginal Profile for Saskatoon*. Catalogue nos. 89-638X no. 2010003.

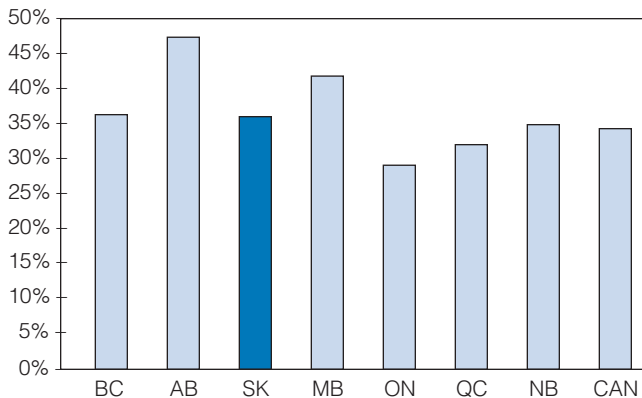
37% of poor children live with a family member who works full time.

Most children in Saskatchewan (79.4%) live in families where at least one person has a full-time, full-year job. And from 2001 to 2008, most of the province’s employment growth was accounted for by full-time jobs.¹⁶ This has helped reduce the number of children in poverty.

Unfortunately, child poverty is persistent and numerous children continue to live in low-income families where at least one adult is fully employed, sometimes with other family members working part time. In Saskatchewan, 36.6% of children lived in such families, up from 30.3% in 2007 and above the Canadian average of 33.6% (Chart 5). This demonstrates that employment does not guarantee freedom from poverty and that the expansion of jobs does not always benefit the poor.

For those families stuck in jobs that pay a minimum wage, working 52 weeks at 40 hours per week would have paid \$18,789 in 2008.¹⁷ This is \$10,433 below the poverty line for a family of three persons and \$16,691 below the poverty line for a family of four living in Regina or Saskatoon. For a single parent with one child and living in Regina or Saskatoon, this wage amounts to only 79% of the income required to be above the poverty line of \$23,769. While the minimum wage has increased regularly over the last several years, these increases were insufficient to keep many families with children out of poverty.

Chart 5. Percentage of Poor Children in Families with at Least One Member Employed Full Time, Full Year, Canada and Provinces, 2008



Source: Statistics Canada, *Survey of Labour and Income Dynamics*, special tabulation.
 Note: Data unavailable for three eastern provinces.

Poverty and poor health are linked.

Research shows a clear and definite link between low-waged, insecure employment and poor health.¹⁸ Along with chronic low wages and few opportunities for advancement, people with precarious employment generally lack workplace protection such as medical and dental benefits, sick leave, holidays and maternity leave. As well, they can be subjected to safety and health risks and exploitation by unscrupulous employers and are more likely to experience anxiety with their employment status, which can be terminated on a moment's notice.¹⁹ Such conditions adversely affect health and family life and perpetuate a low-income status. Improved employment protections as well as investments in education, skills training, health and other public services serve to counter these conditions.

Research also shows that people who are unemployed are likely to suffer poor health.²⁰ Employment is not always possible for all people at all times, especially during times of ill health, disability, family emergencies and care giving responsibilities. Moreover, unforeseen labour market slowdowns and shutdowns can push families into unemployment and poverty. At these times, alternative forms of income and social support are necessary.

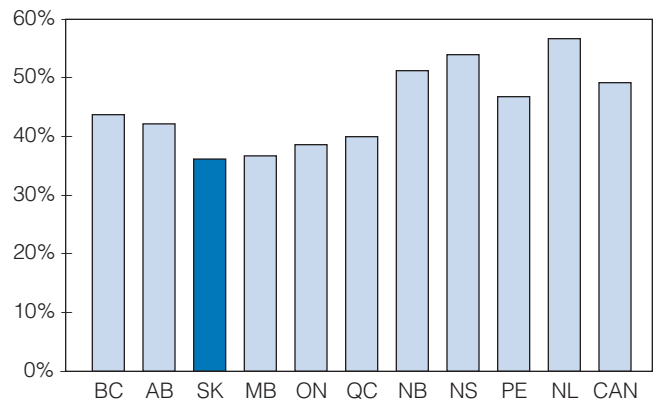
Without adequate support, poverty tends to reinforce itself. Those with low income can be marginalized from and devalued by mainstream society and, lacking necessary resources, these vulnerable people are less likely than the more affluent to have the same, or as many, choices about their work, schooling, environment and living arrangements to escape from poverty.

Government transfers reduce the number of poor children.

Many children live in families that would be in poverty were it not for federal and provincial government transfer payments to these families. Provincial government transfers include the Saskatchewan Assistance Program, the Transitional Employment Allowance, the Saskatchewan Rental Housing Supplement, the Saskatchewan Child Care Subsidy and other income supports. Federal transfers include Employment Insurance, the Canada Child Tax Benefit (CCTB), the Universal Child Care Benefit and the GST/HST Credit.

In 2008, there would have been 51,900 children in poverty — equivalent to a rate of 24.5% — had it not been for government transfers. With these transfer payments, 19,100 (36.8%) of these children were lifted above the poverty line (Chart 6). Across Canada, transfers lifted 728,300 children (43.6%) from poverty.

Chart 6. Percentage Reduction in Child Poverty from Government Transfers, Canada and Provinces, 2008



Source: Statistics Canada, SLID, special tabulation.

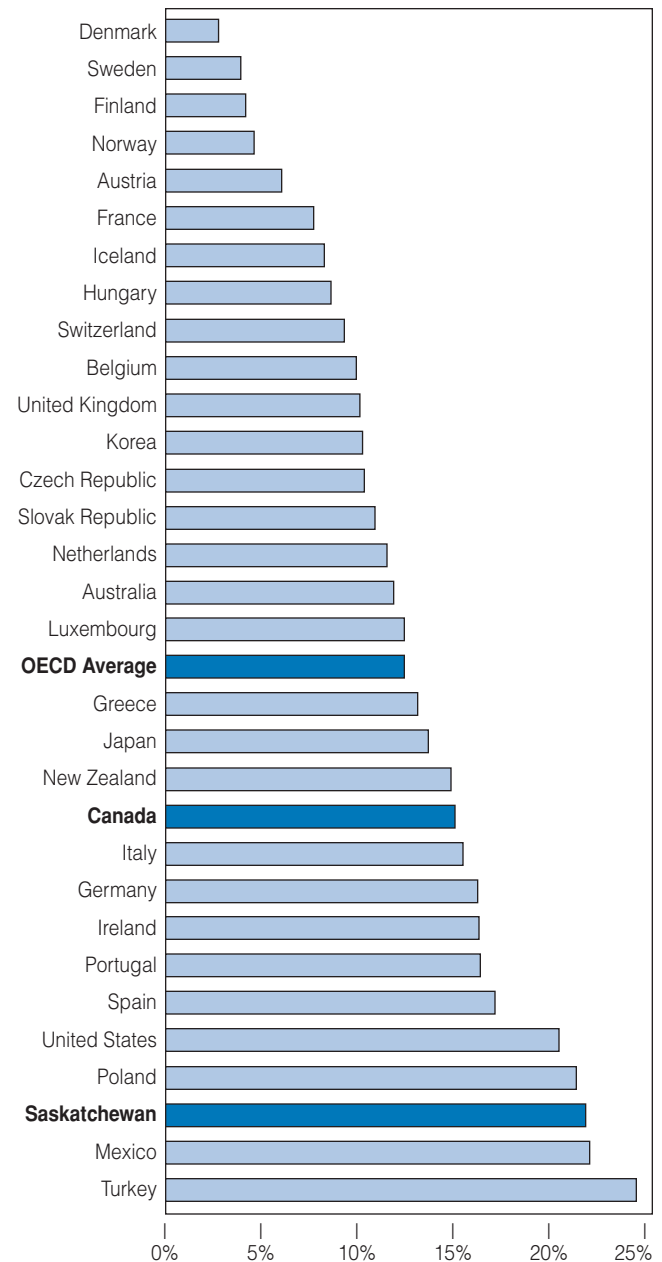
For the first half of this decade, transfers were increasingly important as a means of removing children from poverty in Saskatchewan. Comparing 2008 with 2007, it appears that gains in the job market outpaced transfers as a means of reducing child poverty. At the same time, the fact that almost 20,000 more children would be in poverty without this government assistance shows how essential transfers are for low-income families with children. It is estimated that raising the CCTB amount to \$5,100 per child per year could result in a 37% reduction in child poverty in Saskatchewan from this national initiative alone.²¹

Saskatchewan’s child poverty rate ranks among the bottom three OECD countries.

Using the Low Income Measure (LIM) to compare poverty rates across regions and countries, the rate of child poverty in Saskatchewan during this decade averaged 22% — well above the Organization for Economic Co-operation and Development (OECD) average of 12% (Chart 7). This rate is higher than in all but two other OECD countries — Mexico (slightly over 22%) and Turkey (25%). Canada’s child poverty rate at 15% also remains above the OECD average.

While Saskatchewan’s child poverty rate declined in 2007 and 2008, the average rate for this decade is no different than for the 1990s. Northern European countries like Denmark, Sweden, Finland and Norway generally have child poverty rates below 5%, showing that it is possible for countries to reduce child poverty. According to the Conference Board of Canada, the success of the Nordic countries in maintaining low rates of poverty “lies in universal welfare policy that has been effectively combined with job creation strategies that support gender equality and accessibility.”²²

Chart 7: Child Poverty Rates in OECD Countries, Mid 2000s



Source: OECD. *Growing Unequal: Income Distribution and Poverty in OECD Countries*. Table 5.2, 2008.

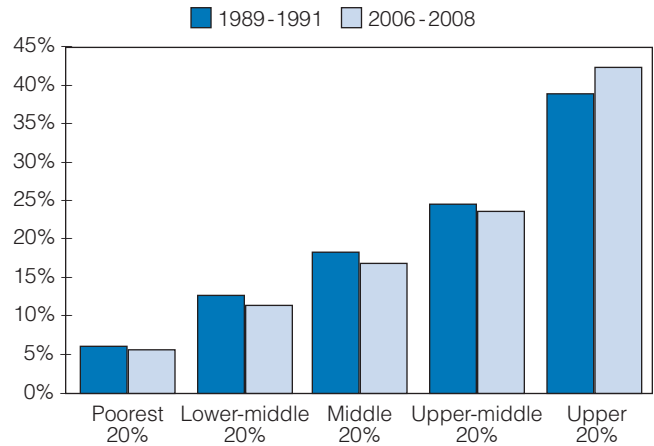
Note: Saskatchewan child poverty rate estimated by the authors.

Persistent and growing income inequality.

Across Canada and in Saskatchewan, the income gap between the best-off and less well-off families with children under age 18 grew much wider over the last twenty years. In the early 1990s, incomes for all families declined to their lowest point since the 1970s. While incomes have risen since then, the top 10% of families have made the greatest gains. Incomes for low- and middle-income families have increased only modestly.

In Saskatchewan, incomes for low- and middle-income families rose in 2007 and 2008, so there was a small decline in the gap between high- and low-income families. But the gains of the bottom 80% of the population were far from sufficient to reduce the growing gap. Since the early 1990s, the best-off 20% of families increased its share of total income from 39% to 42% (Chart 8). This income shift, benefiting the best-off families, has primarily been at the expense of low- to middle-income families. The lower-middle and middle 20% of families saw their share of total income slip by 2.5 percentage points between the early 1990s and 2006-08.

Chart 8. Share of Before-tax Income, Families with Children under Age 18, Saskatchewan



Source: Statistics Canada, SLID, custom tabulations obtained by the Canadian Centre for Policy Alternatives.

In 2007 and 2008, many of the lowest income families benefited from improved economic conditions in the province. However, the share of Saskatchewan income received by the poorest 20% of families has changed little since the early 1990s and most have incomes below the poverty line. While government transfers are essential for supplementing the income of these families, they are often insufficient to raise families out of poverty.

POVERTY MEASURES

Although Canada has never adopted an official measure of poverty, the most commonly used is Statistics Canada's Low Income Cut-Off (LICO). Statistics Canada produces two sets of LICOs and their corresponding rates — the before-tax LICO and the after-tax LICO. In addition, Statistics Canada now produces the Market Basket Measure (MBM) and the Low Income Measure (LIM). Statistics Canada notes that researchers can choose the measure that best suits their needs, and

[t]hough these measures differ from one another, they give a generally consistent picture of low income status over time. None of these measures is the best. Each contributes its own perspective and its own strengths to the study of low

income, so that cumulatively, the three provide a better understanding of the phenomenon of low income as a whole.²³

Over the long-term, consistent measurement can serve “as the handrail of policy, keeping efforts on track towards goals, encouraging sustained attention, giving early warning of failure or success, fuelling advocacy, sharpening accountability, and helping to allocate resources more effectively.”²⁴

Description of Measurements

LICOs. Low Income Cut-offs are based on the relationship between incomes and consumption patterns of Canadian households and have been widely used

in Canada since the 1970s. LICOs consider children to be in low-income if they live in a household that spends more than 20% above the average on food, clothing, and shelter, adjusted for household size and population area. The before-tax LICO is based on total income (income from market sources and government transfers, before the deduction of income tax) and the after-tax LICO is based on after-tax or disposable income. The LICOs are constructed from spending patterns of Canadians in 1992 and are updated annually for price changes. While Statistics Canada prefers after-tax LICOs, the before-tax indicator is used in this report to provide comparability with previous reports and because they provide greater detail and reliability for Saskatchewan.

Table 2: LICO Thresholds

Before-tax LICO by household size and population area					
Household Size	Cities of 500,000+	100,000-499,999	30,000-99,999	Under 30,000	Rural
1 person	22,171	19,094	18,976	17,364	15,262
2 persons	27,601	23,769	23,623	21,615	19,000
3 persons	33,933	29,222	29,041	26,573	23,358
4 persons	41,198	35,480	35,261	32,264	28,361
5 persons	46,727	40,239	39,992	36,594	32,165
6 persons	52,699	45,385	45,105	41,272	36,278
7 or more	58,673	50,529	50,218	45,950	40,390
After-tax LICO by household size and population area					
Household Size	Cities of 500,000+	100,000-499,999	30,000-99,999	Under 30,000	Rural
1 person	18,373	15,538	15,344	13,754	12,019
2 persons	22,361	18,911	18,676	16,741	14,628
3 persons	27,844	23,548	23,255	20,845	18,215
4 persons	34,738	29,378	29,013	26,007	22,724
5 persons	39,556	33,453	33,037	29,614	25,876
6 persons	43,869	37,100	36,640	32,843	28,698
7 or more	48,181	40,747	40,241	36,072	31,519

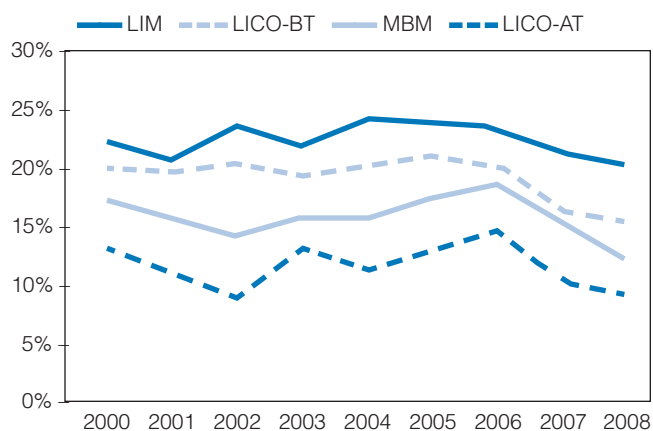
MBM. The Market Basket Measure has been produced since 2000 and defines low income in relation to the cost of a predefined set of goods and services, including food, shelter, clothing and transportation, along with a multiplier to cover other essentials. The price of this “basket” of goods and services is updated annually, takes account of regional differences in the cost of living, and can be adjusted for household size. One difficulty associated with the

MBM is what to include in the “basket” of essential goods and services and how to weight the relative importance of the various items.²⁵

LIM. The Low Income Measure is based solely on the distribution of household income and is intended as a reference for international comparisons. Using the LIM, a child is considered to be in poverty when living in a family with income less than 50% of median household income, adjusted for household size. In this report, the LIM has been used in Chart 7.

Comparisons. Comparing the child poverty rate in Saskatchewan over the last 9 years using each of the low-income measures indicates parallel trends, with the after-tax LICO always lower and the LIM always higher than the other two measures (Chart 9). All indicators show a small increase in child poverty early in this decade followed by a decline in 2007 and 2008. While the rates in this decade are lower than in the 1990s, child poverty persists and has changed little in this decade.

Chart 9. A Comparison of Low-Income Measures: Percentage of Poor Children under Age 18, Saskatchewan, 2000-2008



Source: Statistics Canada, *Income in Canada 2008*, Table 2020802.

For more information on low-income measures, see the “Notes and Definitions” section of Statistics Canada, *Survey of Labour and Income Dynamics: A 2008 Survey Overview*, Catalogue No. 75F0011X. <http://www.statcan.gc.ca/pub/75f0011x/2010001/notes/low-faible-eng.htm> Accessed November 17, 2010.

ENDNOTES

- 1 Using Statistics Canada Low income Cut-offs Before-Tax indicator (LICO-BT). (See pages 7 and 8 of this report.) Data excludes persons living on Indian reserves or in institutions. Children are those under 18 years living with parents or guardians, and who are not the major earner, or the spouse of the major earner, in a family.
- 2 Food Banks Canada. *HUNGERCOUNT2010: A comprehensive report on hunger and food bank use in Canada, and recommendations for change*, 2010, p.5. http://www.foodbanksCanada.ca/documents/HungerCount2010_web.pdf Accessed November 19, 2010.
- 3 B. Holden, N. Chapin, C. Dyck and N. Frasier, *Poverty Reduction Policies and Programs: Saskatchewan*, Canadian Council on Social Development, 2009, p. 5.
- 4 Statistics Canada, *2006 Census of Population*, Catalogue no. 97-564-XCB2006002.
- 5 Assuming the same rate of poverty (as indicated by the LICO-BT) for First Nations on reserves as not on reserves.
- 6 Includes students living away from home, young working adults living on their own, noncustodial parents living on their own following a divorce or separation, and elderly widows.
- 7 The World Economic Forum's *Global Gender Gap Report 2010* shows the greatest equality between men and women in Nordic countries and a strong correlation between gender equality and a country's prosperity and economic competitiveness. For Canada's standing on gender equality see <http://www.weforum.org/pdf/gendergap2010/Canada.pdf> Accessed November 18, 2010.
- 8 Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, *Federal Reduction Poverty Plan: Working in Partnership Towards Reducing Poverty in Canada*, November 2010, p. 25.
- 9 Vanier Institute for the Family, *Families Count: Profiling Canada's Families IV*, 2010, p. 100.
- 10 Ibid., p.104.
- 11 National Advisory Council on Aging, *Aging in Poverty in Canada*, 2005.
- 12 Vanier Institute for the Family, *Families Count: Profiling Canada's Families IV*, 2010, p. 124.
- 13 UNICEF, Child poverty in perspective: An overview of child well-being in rich countries, *Innocenti Report Card 7*, 2007 UNICEF Innocenti Research Centre, Florence, p. 5.
- 14 Statistics Canada, *2006 Census of Population*. Catalogue Number 97-564-XCB2006002.
- 15 Statistics Canada, Aboriginal Children's Survey, 2006: Supporting Data tables 5.1, 5.2, 5.3. <http://www.statcan.gc.ca/pub/89-634-x/89-634-x2008005-eng.htm>, Accessed November 18, 2010.
- 16 *Sask Trends Monitor*, XXV, 12, December 2008, Figure 5.
- 17 Minimum wage from January to April 2008, \$8.60/hour; from May to December 2008, \$9.25/hour.
- 18 E. Lightman, A. Mitchell and B. Wilson, *Poverty is making us sick, a comprehensive survey of income and health in Canada*. Wellesley Institute, 2008. See also Fair Work Coalition, *Fair Work: fighting poverty through decent jobs*. London, UK. 2010.
- 19 Fair Work Coalition, *Fair Work: fighting poverty through decent jobs*. London, UK. 2010.
- 20 M. Lemstra and C. Neudorf, *Health Disparity in Saskatoon: analysis to intervention*. Saskatoon Health Region, 2008.
- 21 M. Lemstra and C. Neudorf, *Health Disparity in Saskatoon: analysis to intervention*. Saskatoon Health Region, 2008, p. 261. A recent formal recommendation calls for the federal government to incrementally increase the annual amount of the CCTB to reach a minimum of \$5,000 per child within five years' time. See *Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, Federal Poverty Reduction Plan: Working in Partnership towards Reducing Poverty in Canada*. November 2010, p. 125.
- 22 The Conference Board of Canada, *A Report Card on Canada, Society, Child Poverty*, 2009. <http://www.conferenceboard.ca/hcp/Details/society/child-poverty.aspx> Accessed November 21, 2010.
- 23 "New approaches to low income" in Statistics Canada, *Survey of Labour and Income Dynamics: 2008 Survey Overview*, Catalogue No. 75F0011X, <http://www.statcan.gc.ca/pub/75f0011x/75f0011x2010001-eng.htm>, Accessed November 17, 2010.
- 24 UNICEF, Child poverty in perspective: An overview of child well-being in rich countries, *Innocenti Report Card 7*, 2007 UNICEF Innocenti Research Centre, Florence, p. 3.
- 25 Recommendations for revision of the MBM are discussed and presented in M. Hatfield, W. Pyper and B. Gustajtis, *First Comprehensive Review of the Market Basket Measure of Low Income: Final Report*, Human Resources and Skills Development Canada, Ottawa, 2010.

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www.campaign2000.ca

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