

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

Saskatchewan Child and Family Poverty Report

2020 SASKATCHEWAN REPORT CARD

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Campaign 2000: Campaign 2000 is a non-partisan, cross-Canada coalition of over 120 national, provincial and community organizations, committed to working together to end child and family poverty in Canada. Campaign 2000 coordinated the preparation of the 2018 national and provincial poverty report cards. These can be viewed and downloaded at the web site www.campaign2000.ca.

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214,280 persons in Saskatchewan were in poverty in 2018.

This was 18.8 per cent of the 1,138,760 persons living in the province – a poverty rate above the 16.5 per cent rate for Canada as a whole.

73,000 of the 280,010 children in Saskatchewan were in poverty in 2018, a child poverty rate of 26.1 per cent. This is well above the child poverty rate of 18.2 per cent for Canada as a whole and is greater than in all other provinces and territories with the exception of Manitoba and Nunavut. Children in lone parent families had a poverty rate of 59.9 per cent.

The number of poor children has continued to increase. In 2013 there were 71,700 children living below the poverty line. In 2018 there were 73,000 children living in poverty in Saskatchewan. However, the percentage of children living below the poverty line has slightly declined from 27.7% in 2013 to 26.1% in 2018.

For children in First Nations families, the poverty rate in 2016 was 49.4 per cent. Among those families indicating they were Métis, 28.4 per cent were in low-income households. In 2016, of the 72,850 poor children in Saskatchewan, 17,015 were in First Nations or Métis families.

The child poverty rate for children in immigrant families in 2016 was 23.8 per cent and for those in non-immigrant visible minority families was 21.9 per cent.

Depth of poverty was greater in the Prairie provinces than in other Canadian provinces. In Saskatchewan in 2018, the income for one-half of families in poverty was at least \$12,000 to \$13,000 below the poverty lines shown in Table 1.

Table 1: Canada LIM-AT Low Income Cut-Offs 2018 constant dollars

| Household size | 2017 After-tax income |
|----------------|-----------------------|
| 1 person | \$ 21,833 |
| 2 persons | \$ 30,877 |
| 3 persons | \$ 37,816 |
| 4 persons | \$ 43,666 |
| 5 persons | \$ 48,820 |
| 6 persons | \$ 53,480 |
| 7 persons | \$ 57,765 |
| 8 persons | \$ 61,753 |
| 9 persons | \$ 65,499 |
| 10 persons | \$ 69,042 |

Note: Any person in a household with income below the LIM for their family type is considered to be in poverty.

Government transfers in the form of child tax benefits, tax credits, and social assistance were important in helping to reduce poverty in the province.

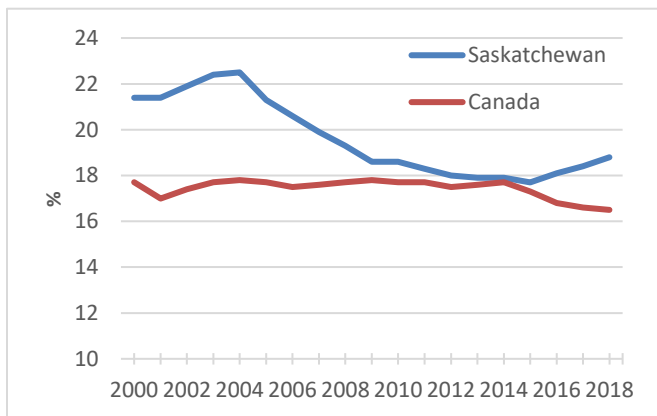
For Saskatchewan in 2018, the child poverty rate of 26.1 per cent would have been 39 per cent without these federal and provincial government transfers. That is, the provincial poverty rate was reduced from one in three children to one in four through these government transfers.

Poverty Continues in Saskatchewan

As mentioned in previous reports, beginning in 2007 the province's commodity-driven economy really began to flourish. Not only was the growing petroleum industry realizing windfall profits from the rise in oil prices but also the demand for potash and grain had skyrocketed as well. The province experienced tremendous proceeds from those resources until 2015. This period was characterized as a time of economic boom. As can be seen in Figure 1, the province's poverty level peaked in 2004 and started a slight decline which ended by 2014. By 2018, the latest year for which

income data are available, the Saskatchewan poverty rate (18.8 per cent) was still above the poverty rate for Canada as a whole (16.5 per cent). Since 2014, we also observe a slight but steady increase in the number of children living in poverty in the province.

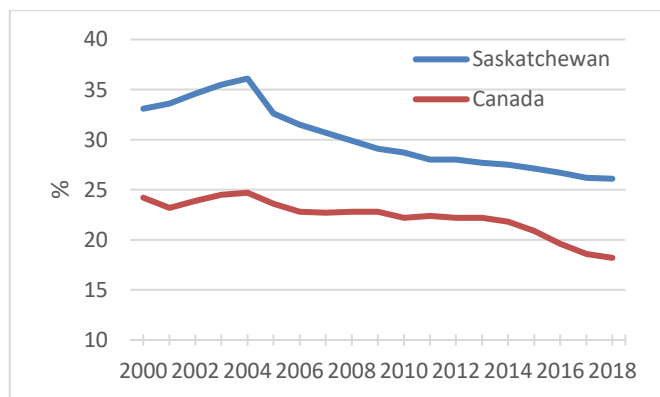
Figure 1. Percentage of all persons below LIM, Canada and Saskatchewan, 2000 to 2018



Source: Statistics Canada, 2018.

Figure 2 shows the effects of the economy on Saskatchewan’s children in relation to other children living in Canada. Similar to the general population, child poverty peaked in 2004 and began a slight decline which ended in 2014.

Figure 2. Percentage of children below LIM, Canada and Saskatchewan, 2000 to 2018



Source: Statistics Canada, 2018.

There are 214,280 Saskatchewan residents, including 73,000 children, with incomes that are not enough to pull them out of poverty. These

children and adults have difficulty feeding and housing themselves and do not have the resources that would allow them protection against the negative long term effects that poverty and discrimination have on social, mental and physical health and well-being.

Since commodity price collapsed in recent years, the Saskatchewan economy has turned downward, causing economic difficulties for many in the province. Employment has levelled off and the number of full-time jobs has declined.

Unemployment jumped by seventy one per cent, from 25,100 unemployed workers in 2013 to 42,900 as of December of 2018. This does not bode well for low-income residents of the province – it seems likely that when data about the province’s poverty rate for 2019 and 2020 become available, there will again be an increase in poverty. This is of significant concern to us. In the conclusion section, we explain some of the factors that make us anticipate that the impacts of the current pandemic and related economic shutdown will exacerbate already dire poverty rates.

Child poverty

The national partner for this report, Campaign 2000, has focussed on the issue of child poverty in Canada. Campaign 2000 has consistently stated that child poverty is not inevitable, but that it is a result of choices (Campaign 2000, 2015, p. 1). Federal politicians pledged to end child poverty in 1989, 2009 and 2015. As of 2018, child poverty in Canada continues to deprive over 1.33 million children of their only childhood (Campaign 2000, 2020, p. 1).

The number of poor children (those aged 0 to 17 years) in Saskatchewan has increased from 71,000 in 2013 to 73,000 in 2018 (Table 2).

| Table 2: Child Poverty Count and Percentage, Saskatchewan 2009 - 2018 | | |
|---|-------|------------|
| Year | Count | Percentage |
| 2009 | 71720 | 29.1 |
| 2010 | 71420 | 28.7 |
| 2011 | 70740 | 28 |
| 2012 | 71830 | 28 |
| 2013 | 71700 | 27.7 |
| 2014 | 72200 | 27.5 |
| 2015 | 72750 | 27.1 |
| 2016 | 72850 | 26.7 |
| 2017 | 72260 | 26.2 |
| 2018 | 73000 | 26.1 |

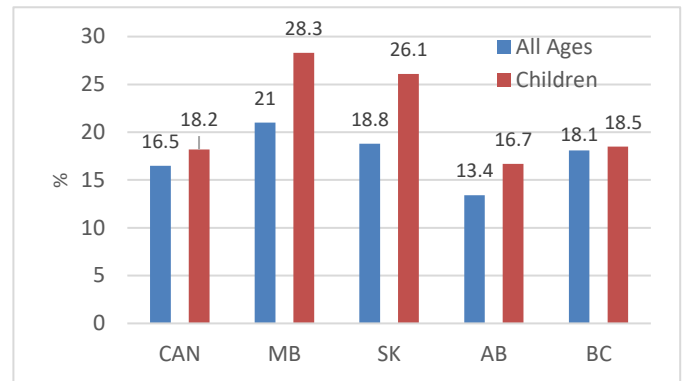
Table 2 shows that for the decade 2009-2018 every year more than a quarter of Saskatchewan children lived below the poverty line demonstrating that during a period of growth in the Saskatchewan economy ending in 2014-15, little if any of the economic benefits reached the poorest in the province. More on this analysis is contained in *Frenzied Non-Renewable Resource Extraction in Saskatchewan During the Boom Where Did the Economic Benefits Settle?* This document was originally attached to our 2016 Child Poverty report. An updated version will be soon published by the Social Policy Research Center of the University of Regina.

Table 3 examines poverty rates among children during their most important developmental stage, ages between 0-6.

| Table 3: Child Poverty Count and Percentage, All Children Age 0-6 2018 | |
|--|---|
| Number of children below poverty line | Percentage of children below poverty line |
| 27,180 | 28.6 |

It reveals that 28.6 % of children living below the poverty line in Saskatchewan are between 0 and 6 years of age.

Figure 3. Percentage of poor persons and children, Canada and western provinces, 2018



Source: Statistics Canada, 2018.

Figure 3 shows that Saskatchewan child poverty level at 26.1 per cent is well above that of Canada at 18.2 per cent. In relation to the other western provinces, Saskatchewan is well above British Columbia with 18.5 % and Alberta with 16.7%. Manitoba with 28.3% is the only province in Canada with a higher child poverty level than Saskatchewan. In Canada, as a whole, and in each of the western provinces the rate of child poverty is higher than for the rest of the population.

Who are the poor?

Poverty is concentrated among specific groups and is not evenly distributed across the population. Table 4 provides a picture of how poverty differed by age and family type for Saskatchewan in 2018. A greater percentage of children were in poverty (26.1 per cent) than were adults aged 18 to 64 (17.7 per cent). Seniors, those aged 65 or more, present a poverty rate of 11.5 per cent.

Persons living in families, especially couple families, are less likely to be in poverty than are those living alone or in lone-parent families. Ten to sixteen per cent of children living in couple families and of adults living in families had low income. In contrast, adults living alone (not in

families) experienced a high rate of poverty (32.2 per cent in 2018).

The greatest poverty rate was for children living in lone-parent families. In Saskatchewan in 2018, almost one half of children in lone-parent families experienced low income (49.3 per cent). Almost all of lone-parent families living in poverty have a female parent and less than five per cent have a male parent. Lacking the possibility of dual earner incomes, adults living alone or being single parents are much more prone to poverty than are those living in families that can have two or more employed earners.

Table 4: Poverty by family type, Saskatchewan, 2018

| Characteristic | Population in thousands | Poor population in thousands | Percent poor |
|-------------------------|-------------------------|------------------------------|--------------|
| Children aged 0-17 | 280,010 | 73,000 | 26.1% |
| In couple families | 801,080 | 78,550 | 9.8% |
| In lone-parent families | 158,050 | 77,930 | 49.3% |
| Persons aged 18-64 | 680,970 | 120,820 | 17.7% |
| In families | 959,130 | 156,480 | 16.3% |
| Not in families | 179,630 | 57,800 | 32.2% |
| Seniors aged 65 plus | 177,780 | 20,460 | 11.5% |
| Total | 1,138,760 | 214,280 | 18.8% |

Source: Statistics Canada, 2018.

Child poverty by identity

In Table 5, the children in households with these various backgrounds have been grouped into the categories of First Nations, Métis, immigrant, visible minority (non-immigrant), and not visible minority (non-immigrant).

Indigenous children in Saskatchewan were especially likely to live in families with incomes below the LIM poverty line, for a poverty rate of approximately fifty per cent. As can be seen in Table 4, while First Nations children accounted for approximately one-fifth of all Saskatchewan children in 2016, almost exactly one-half of all the poor children in the province were First Nations.

This vast over-representation of First Nations children among poor children demonstrates the serious poverty problem facing First Nations. Table 4 shows that 49.4 per cent of all First Nations children were in households with an income below the LIM poverty line in 2016. Children in Métis and immigrant households were also prone to poverty, with almost over one in four of these children in households with incomes below the LIM. Approximately one in five children in visible minority, non-immigrant households were in poverty. It is only those children in not visible minority households where the child poverty rate was well below the provincial average of 26.1 %.

Table 5: Child poverty by identity, Saskatchewan, 2016

| Identity | # of children (thousands) | #of poor children (thousands) | Child poverty rate |
|----------------------|---------------------------|-------------------------------|--------------------|
| First Nations | 25,785 | 12,725 | 49.4% |
| Métis | 18,365 | 4,290 | 23.4% |
| Immigrant | 19,175 | 4,560 | 23.8% |
| Visible minority | 35,385 | 7,740 | 21.9% |
| Not Visible Minority | 194,830 | 33,380 | 17.1% |

Source: 2016 Census of Canada.

We trust that these figures draw attention to the very serious child poverty existing in Saskatchewan. Reducing and eventually eliminating child poverty in the province will require strong pressure on governments. In particular we encourage Saskatchewan people to push the federal, provincial, and First Nations governments to pay special attention to on-reserve poverty, especially the unacceptable level of two out of three on-reserve children in poverty. As Macdonald and Wilson conclude, “The growth of Indigenous child poverty in Canada cannot be allowed to continue until another generation is lost.” (p. 29).

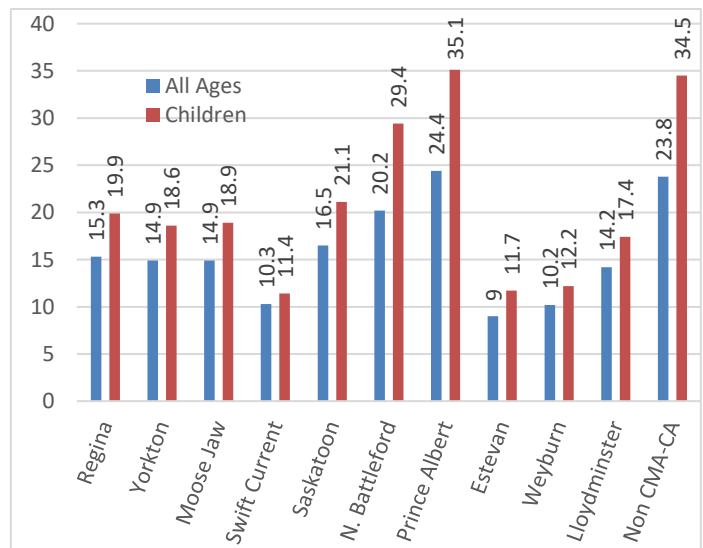
Poverty by city

Poverty is often concentrated in particular neighbourhoods, communities, cities, towns, and regions and is not spread uniformly across the province. In Saskatchewan, inner city neighbourhoods, small towns, rural areas, some cities, and the northern part of the province experience greater than average poverty rates. The data in this section provide a general picture

of how areas of the province differ in terms of poverty levels.

Figure 4 gives the overall poverty rate and the child poverty rate for the ten largest Saskatchewan cities for 2018. While there were relatively low poverty rates in Estevan, Weyburn and Swift Current, most of the cities had overall poverty rates of 14 to 24 per cent and child poverty rates of 17 to 21 per cent, each below the provincial average. In contrast, North Battleford and Prince Albert had overall poverty rates of 20 to 24 per cent and child poverty rates of 29.1 and 35.1 per cent. What is especially notable though is the high poverty rate for the remainder of the province – the non-CMA or the area of the province outside the ten cities. This area comprises the rural population, the small towns and cities, and the northern part of the province. For this non-CMA area, in 2018 the overall poverty rate was 23.8 per cent and the child poverty rate was 34.5 per cent. That is, outside the ten cities, one in five persons was poor and one in three children was poor.

Figure 4. Poverty rates for all ages and children, Saskatchewan cities, 2018



Note: Non-CMA, non-Census Metropolitan Area, refers to Saskatchewan outside the nine cities. Source: Statistics Canada, 2018.

These differing regional poverty rates help illustrate why poverty might not be seen by some residents of the province. For those living in neighbourhoods or regions with low child poverty rates, it may seem that child poverty is not an economic, social, political, or personal problem. For those living in areas with high child poverty rates, the difficulties associated with having low income are daily ones – ones that a country as wealthy as Canada must solve.

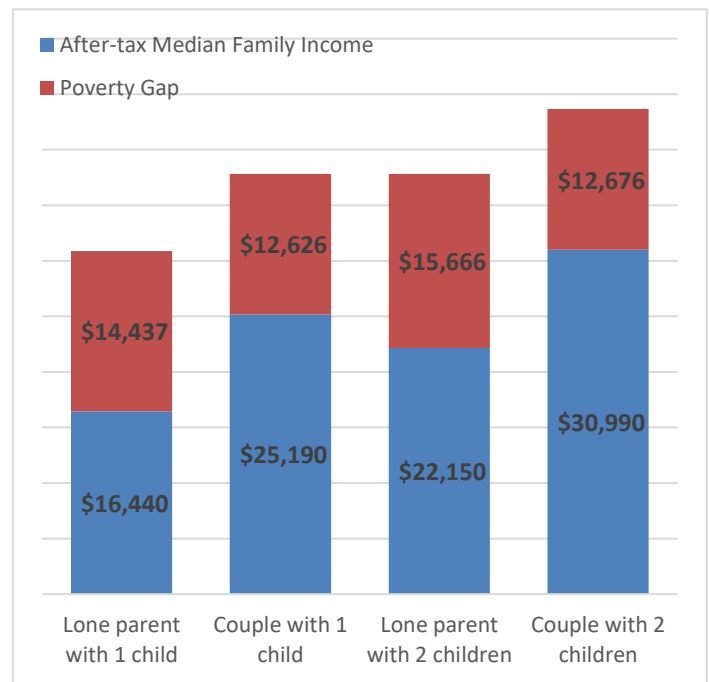
Depth of poverty

While the overall poverty rate for Saskatchewan (18.8 per cent) was only a small amount above that for Canada (16.5 per cent), the depth of poverty was much greater in the province than for Canada as a whole. For each of the three Prairie provinces, the income for one half of families in poverty averaged \$12,620 to \$15,000 below the LIM poverty lines in 2018. For Canada as a whole the comparable figure was approximately \$10,000. Figure 5 illustrates the profound depth of poverty that existed in Saskatchewan in 2018.

For a Saskatchewan lone parent family with one child in 2018, the poverty line was \$30,877. But the after-tax median income for poor lone parent families with one child was only \$16,440. That is, one-half of poor lone-parent families with one child had less than \$16,440 income and one half had between \$16,440 and \$30,877 income. Thus the poorer half of these poor families had so little income there were at least \$14,437 short of meeting even a poverty level income. The situation for poor couples with children and for poor lone parent families with two children was much the same – an extremely large poverty gap of \$12,676 to \$15,666 for the very poorest of the poor families with children. These data demonstrate the dire circumstances faced by many families with children – their incomes are well

below what is necessary to meet even the minimal needs associated with a poverty level income.

Figure 5. Depth of low income for poor families, Saskatchewan, 2018



Source: Campaign 2000, special tabulation

Effect of government transfers

Government transfers in the form of child benefits, tax credits, and social assistance are an important source of income for many low income individuals and families. These transfers mean many escape poverty and they are a key source of income for those who remain in poverty. For Saskatchewan, government transfers help to reduce poverty in the province. The 2018 child poverty rate of 26.1 per cent would have been 39 per cent without federal and provincial government transfers as shown in Table 6. That is, transfers reduced the provincial poverty rate from one in three children to one in four – a rate that is still much too high.

| Table 6: Effect of government transfers | |
|--|---|
| Child Poverty Before Government Programs (labour market poverty) | Child Poverty After Government Program Spending |
| 39% | 26.1% |

Although we always hear from government and corporate sectors that the best welfare programme is a job, the numbers do not support that crass slogan. The fact that without social spending the precarious situation of children in Saskatchewan would be much worse is an indication that incomes derived from the labor market are insufficient for many working families. Table 7, provides the counts and percentage of child poverty among children 0-17 in Saskatchewan from only *Market Income* (wages and salaries only*), before social spending:

| Table 7: Child Poverty & Market Income Children 0-17 & Children 0-6 Saskatchewan - 2016 & 2018 | | |
|--|---------------------------------------|---|
| | Number of children below poverty line | Percentage of children below poverty line |
| Children 0-17 | 2016 (100,470) | 2016 (36.8%) |
| | 2017 (106,960) | 2017 (38.8%) |
| | 2018 (109,190) | 2018 (39%) |
| Children 0-6 | 2016 (37,530) | 2016 (39.7%) |
| | 2017 (38,080) | 2017 (40.0%) |
| | 2018 (40,120) | 2018 (42.2%) |

*"Wages and Salaries" is defined as the gross earnings from all jobs held as an employee, before payroll deductions such as income taxes, employment insurance contributions or pension plan contributions. Wages and salaries include the earnings of owners of incorporated businesses, although some amounts may instead be reported as investment income. Commission income received by salespersons as well as occasional earnings for baby-sitting, for delivering papers, for cleaning, etc. are included. Overtime pay is included.

Conclusion

In previous reports, we have said that the federal government must demonstrate with facts that “sunny days” have come for all children and families living in poverty in Canada. The federal and provincial governments can eliminate child poverty immediately. Using the available statistics (i.e., depth of poverty), the federal government can calculate the amount of money required to lift all children and families above the poverty line and increase by that amount the funding for child benefits and the Canada Social Transfer.

Governments’ transfers have proven to be a very effective way to reduce poverty. Their inadequacy is in the amount of money made available to families and children. The depth of poverty rates indicates how inadequate the present benefits levels are.

We have many reasons to be concerned. In Saskatchewan, as in every other prior year we have reported, the child poverty rate for 2018 is discouraging and frustrating. This report shows the reality of child and family poverty in 2018. It does not consider the already visible adverse health and economic effects the COVID 19 pandemic has brought to the entire population, especially those living in poverty throughout the world. The current benefits levels available in the province have demonstrated their inadequacy year after year. The future does not bode well for low-income residents of the province – it seems likely that when data about the province's poverty rate for 2019 and 2020 become available, there will be a significant increase in poverty.

COVID 19 brought the world economy almost to a standstill; the brunt of the economic hardship is experienced by those who receive little financial reward from the labour market; so many in the

lower-paid service sector jobs emerged as essential workers (meat plants, Amazon warehouses, food stores, delivery employees, freight drivers, etc.) bearing significant health risks and abuse from employers and the public. Since the 1980's the public has been told there is no money for expensive social programs, while COVID 19 has exposed that excuse as a lie. Governments of all political stripes could find money to spend, mostly to keep corporations solvent. At the same time, health care workers reused unsafe protective equipment and respirators, which could not be produced for those who needed them to survive. Seemingly overnight, die-hard supply-side economics adherents became strong backers of Keynesian spending to keep the economy functioning. A familiar scenario last played out during the Great Recession of 2008, witnessing the financial sectors' massive bailouts. And like the 2008 recession, we fear that the burden of repaying that spending will fall hard on working people, the disadvantaged, the poor, and their children for decades to come.

Evidence demonstrates there is indifference to the plight of children living below the poverty line. In the present climate of “limited resources” people must ask their representatives that both federal and provincial governments be accountable for meeting their human rights obligations to provide adequate income support for all low income Canadians.



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Most of the data for this report come from custom Statistics Canada data tabulations obtained by Campaign 2000: End Child and Family Poverty in Canada. We thank Campaign 2000.

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