What is poverty?

It has been established that poverty and homelessness are [strongly correlated](http://homelesshub.ca/about-homelessness/homelessness-101/causes-homelessness); in fact, loss of income acts as [a major factor associated with homelessness.](http://homelesshub.ca/sites/default/files/Structural%26Systemic_Fctrs_Contributing_to_Homelessnes.pdf)

Public opinions and government policy regarding the nature and causes of poverty tend to oscillate between two positions. On one hand, poverty is often seen as a shortcoming of individuals who will not (or cannot) do what is required to maintain a reasonable life. In this view, poverty is often a moral failing. Measures to provide extra supports to poor people are believed to encourage a lack of initiative and make the problem worse. The opposing view is that poverty arises mainly from systematic inequities in the economy and society, and is largely the result of factors (lack of work, low wages, or discrimination) beyond the control of individuals. It is generally understood these factors impact some populations more than others.

[Canada without Poverty provides a helpful snapshot](http://www.cwp-csp.ca/poverty/just-the-facts/)on the current state of poverty and homelessness in Canada:

* 1 in 7 (or 4.9 million) people in Canada live in poverty.
* Poverty costs Canada as a whole between $72 billion and $84 billion annually.
* Low-income families are not only more vulnerable to poor health than those earning a living wage, they also use more healthcare resources because illness can make it harder to get out of poverty. Poverty can lead to sickness because of inadequate housing, poor nutrition, and less access to preventative health care. For example, poverty costs B.C. $1.2 to $3.8 billion a year in health-related costs.
* Between 1980 and 2005, the average earnings among the least wealthy Canadians fell by 20%.
* Over the past 25 years, Canada’s population has increased by 30% and yet, annual national investment in housing has decreased by 46%.
* Due to the epidemic of unaffordable housing in Canada, almost 1 in every 5 households experience serious housing affordability issues (spending over 50% of their low income on rent) which puts them at risk of homelessness.
* In Toronto, one study found that there were approximately 5,219 people who were homeless in 2013. Roughly half of those experiencing homelessness were on wait lists for affordable housing during the same period.
* It is estimated people experiencing homelessness with a disability or mental illness represent 45% or more of those experiencing homelessness. This can be explained by the fact that people living with disabilities, both mental and physical, are twice as likely to live below the poverty line.
* 21% of single mothers in Canada raise their children while living in poverty, where women who work full-time earn about 72 cents for every dollar earned by men. (In contrast, 7% of single fathers raise their children in poverty.)
* Women parenting on their own enter shelters at twice the rate of two-parent families.
* Due to Canada’s history of colonization of Indigenous Peoples and their lands, Indigenous Peoples are overrepresented amongst those experiencing homelessness in virtually all urban centres in Canada.
* 1 in 2 Status First Nations children lives in poverty.
* 1 in 5 racialized families live in poverty in Canada, as opposed to 1 in 20 non-racialized families, where racialized women living in poverty were almost twice as likely to work in manufacturing jobs than other women living in poverty.

One notable factor these statistics show is that poverty occurs on a wide scale across race, gender, ability and citizenship status. It is clear that despite misconceptions of poverty and/or homelessness as individualized failures, the massive scale at which [1 in 7 Canadians experience financial insecurity](http://www.cwp-csp.ca/poverty/just-the-facts/) signifies that poverty is a structural, systemic problem that requires structural and systemic solutions.

Two factors account for increasing poverty in Canada: 1) the eroding employment opportunities for large segments of the workforce, and 2) the declining value and availability of government assistance in times of crisis. People experiencing poverty are frequently unable to pay for housing, food, childcare, health careand education. Difficult choices must be made when limited resources cover only some of these necessities. And often, it is housing - which absorbs a high proportion of income - that must be sacrificed. Being unable to afford the basic necessities despite working full-time at minimum wage brings forth the concept of a “living wage.”

Child Poverty

Child poverty has a negative and long-lasting impact on a child's ability to learn, build skills, find employment and avoid poverty. It is well-understood that children who experience poverty and lack of educational opportunities often grow up to become adults who experience poverty and low education levels. A lack of healthy food, health care, and a stimulating environment lowers a child's ability to learn for the rest of their lives. A child's experience during the early years of development (prenatal to 8 years of age) sets a critical foundation for their entire life course. All aspects of Early Childhood Development (ECD) - including physical, social/emotional and language/cognitive domains – strongly influence basic learning, school success, economic participation, social citizenry and health. The environments where children grow up, live and learn – with parents, caregivers, family, and teachers – have the most significant impact on their development.

Children living in poverty show almost 3.5 times the number of conduct disorders, almost twice the chronic illnesses and twice the rate of school problems, hyperactivity and emotional disorders as children who don't experience poverty. Canadian children that live in poverty often suffer from iron deficiencies, which lead to difficulties in cognitive development. They also have such health, social, and cognitive disadvantages compared to other children, that they are generally less equipped - socially, emotionally and physically - to undertake school programs. If their disadvantaged position and different day-to-day experiences are not taken into account by school education, they are unable to benefit fully from the school system. Numerous studies have consistently shown that the strongest single predictor of educational achievement and attainment is the socio-economic status of the student's family. Education - in close co-operation with health care, guidance and counseling services, and income generating activities - is pivotal in breaking the vicious cycle of poverty and social exclusion that is the reality for many families.

Living wage vs. minimum wage

We are all familiar with the concept of a minimum wage, which is the lowest wage rate an employer can pay an employee. The minimum wage is set by the provinces and territories based on [economic conditions, cost of living along with many other factors](https://www.labour.gov.on.ca/english/es/pubs/mwap/section_04.php). However, Canadians living on minimum wage are struggling to afford the basic necessities of life. Essentially, increased costs of living such as rent, gas prices, utilities and others have dramatically outpaced increases in wages. On the other hand, a living wage would provide an income that considers [the actual costs of living](http://www.livingwagecanada.ca/index.php/about-living-wage/what/)in a specific community. This would ensure families could afford the basics such as food, clothing, housing payments, childcare and transportation. In October 2018, Alberta’s minimum wage [will increase](https://www.retailcouncil.org/quickfacts/minimum-wage-by-province) to $15 an hour. [Ontario has also agreed](https://www.retailcouncil.org/quickfacts/minimum-wage-by-province) to raise the minimum wage to $15 by 2019, and several provinces are set to raise their minimum wages throughout 2017 to [various amounts](https://www.retailcouncil.org/quickfacts/minimum-wage-by-province). But for some, this still may not be enough.

The increase in advocacy for a living wage is not only happening in [Canada](https://www.15andfairness.org/), but in the [U.S.](https://fightfor15.org/) and [U.K.](https://www.livingwage.org.uk/what-real-living-wage) as well, signalling an international outcry. The demand for a living wage simply highlights the fact that a minimum wage fails to approximate the basic expenses of individuals and families, pushing them into a state of poverty and financial insecurity.

[A living wage is calculated based](http://livingwagetoronto.ca/what-is-a-living-wage/) on a family of four with both parents working full-time for 37.5 hours a week and does not cover finances needed for owning a home, savings accounts or paying off debts. Living wages would also vary from each community, as the cost of living in Toronto ($18.52), for instance, will be far more than Windsor ($14.15).

One critique of the living wage is that companies will hire fewer employees as a result of increased labour costs. However, studies show that businesses usually absorb cost increases related to living wage policies through a combination of price and productivity increases, reduced turnover and redistribution of staff.

Some worry that a living wage will hurt local business owners. However, as small businesses gain their revenue from their community, an increase in wages indicates more purchasing power, putting wages earned back into the community.

Others argue that if wages go up, prices go up. However, there is no correlation between the two, as costs rise all the time without workers receiving a pay increase. [One study in Seattle](http://irle.berkeley.edu/seattles-minimum-wage-experience-2015-16/) found that the increase in minimum wage to $15/hour had no impact on the prices of goods and that costs went up by the same amount in Seattle as they did in surrounding communities that didn't see a raise to their minimum wage.

A living wage for families experiencing poverty poses many [benefits](http://www.livingwagecanada.ca/files/2913/8443/7004/Health-Fact-Sheet1.pdf) such as the ability to afford nutritious food and adequate housing, more time to spend with one's family, not having to juggle several jobs, time for civic engagement, positive early childhood development, increased psychological well being, reduced stressors from financial insecurity and several more.

Employment

Despite the multiple benefits of a living wage, especially to those already earning a minimum wage, these benefits would not be accessible to those who face difficulty in gaining employment all together. Contrary to popular belief, [many individuals experiencing homelessness are employed](http://homelesshub.ca/blog/how-many-people-experiencing-homelessness-are-employed)-- [one study](http://america.aljazeera.com/articles/2013/12/11/homelessness-hungerreportmayors.html) found that 25% of 3.5 million Americans experiencing homelessnesshave jobs. Similarly, the 2016 [Vancouver Homeless count](http://homelesshub.ca/blog/how-many-people-experiencing-homelessness-are-employed) reported that 23% of those experiencing homelessness in Vancouver was considered “overall employed.” It should be noted individuals experiencing homelessness often face [barriers to attaining and maintaining employment](http://homelesshub.ca/resource/review-relating-homelessness-education-employment-and-income-support-review-canadian)that include:

* No access to a phone or permanent address
* A lack of work-appropriate (or interview-appropriate) attire
* Gaps in employment history
* Unreliable transportation (inability to afford a vehicle or public transit fares) to get to interviews and/or employment
* Conflict between hours of work and hours of operation of homeless services including shelter access and meal programs
* Health and/or mental health issues can interfere with work, and lack of food, sleep and rest can make maintaining employment difficult, if not impossible

[Other research found](http://homelesshub.ca/resource/overcoming-employment-barriers-populations-experiencing-homelessness) that for parents experiencing homelessness, inaccessibility to childcare is a barrier to employment. This study also found that along with an overall reluctance to hire individuals who have or are experiencing homelessness, stereotypes surrounding homelessness cast considerable doubts on the ability for individuals experiencing homelessness to obtain or maintain employment. It is also important to note that individuals experiencing homelessness are not a homogenous group, and that those experiencing homelessness that also face hiring discrimination based on race, citizenship status, disability, sexual orientation and gender.

What can be done?

The barriers listed above clearly shows addressing and preventing homelessness through the eradication of poverty cannot be done by isolated interventions. Solutions such as reverting the decline in Canada’s social safety net, implementing a living wage, creating sustainable jobs, and providing affordable long-term housing supports are all necessary to approach homelessness and poverty via a [preventative framework.](http://homelesshub.ca/solutions/prevention)