



Poverty at Your Doorstep

Vancouver

2013

The 2008-09 recession hit Vancouver very hard. Unemployment rose substantially while Employment Insurance coverage fell woefully short. Food bank use, social assistance caseloads and consumer bankruptcies all soared. The level of poverty jumped by four percentage points.

The Olympic and Paralympic games played an important role in stimulating the economy in 2010 but three years out, many families are still

struggling. Vancouver's poverty rate remains above pre-recession levels – as does the unemployment rate – while median family income has yet to recoup the losses experienced following the recession.

Rising costs of living, especially for housing, is cutting deeply into family budgets, increasing the significant differences that exist between the affluent and the poor.



Vancouver's rate of poverty, at 15%, is almost six points above the national benchmark of 9% and significantly higher (along with Montreal) than other large cities in Canada.

Poverty in Vancouver

Vancouver has struggled with high levels of poverty for years. At the height of the last recession in 1995, one-quarter of Vancouver's children lived in poverty, while the overall rate for the city was 19%, according to Statistics Canada's after-tax Low Income Cut-off.

While other Canadian cities experienced a steady decline in poverty through the late 1990s and early 2000s, Vancouver's experience was much more erratic, making progress one year, losing ground the next.

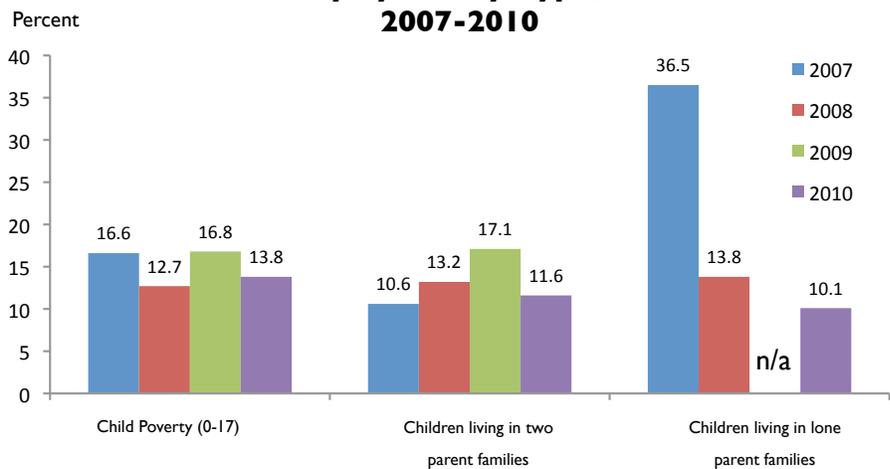
With the onset of the 2008-09 recession, the decline in poverty ground to a halt. From a pre-recession low of 13% in 2007, the overall poverty rate rose to 17% in 2009, the largest increase of any Canadian city. In 2010, the poverty rate fell back to 15%.

Vancouver's child poverty rose to 17% in 2009, the second highest increase in poverty related to the recession. In 2010, the rate of child poverty was 14%, second highest among large cities, behind St. John's.

Children of recent immigrants are among the groups with the highest poverty rates in Canada. In 2005, the rate in British Columbia was a staggering 50% – the large majority of whom live in the Vancouver metropolitan area.

Children of Aboriginal identity are also

Child Poverty by Family Type, Vancouver, 2007-2010



Source: Source: Statistics Canada. Table 202-0802 - Persons in low income families, annual. After-tax Low Income Cut-off.

over-represented in poverty statistics. In 2005, over one-third of Aboriginal children living in British Columbia were poor. And one-third of children living in visible minority families were also living in impoverished circumstances. These families were the most vulnerable during the 2008-09 recession.

Labour Market Inclusion

Vancouver's economy has experienced modest growth since the recession, with relatively low unemployment rates and improved average weekly earnings. Unfortunately, not all residents have shared in this prosperity.

During the recession, unemployment in Vancouver increased from 4.0% in 2007 to 7.1% in 2009, while the number of people receiving

Employment Insurance more than doubled between October 2008 and October 2009. The unemployment rate increased again in 2010, reaching 7.5%, and then fell back slightly in 2011 to 7.3%. More recent monthly figures show a modest decline in the unemployment rate in 2012.

At the same time, the percentage of the adults who are employed fell by three percentage points between 2007 and 2010, from 64% to 61%. So, while the number of jobs in Vancouver has been growing, it hasn't been growing fast enough to keep pace with the growing numbers of those searching for work. The drop in the employment rate represents a shortfall of almost 50,000 jobs in Vancouver alone.

Income and Earnings

In British Columbia, the contradiction between years of economic growth



In April 2012, the average rent for a two-bedroom apartment in Vancouver was \$1,210, up from \$1,181 in April 2011, an increase of 3%.

and rising insecurity is especially stark. Even at the height of the economic boom of the mid-2000s, median annual earnings for workers were lower than those posted in the early 1980s.

Vancouver was one of four metropolitan areas where median earnings for full-time, full-year workers went down between 1981 and 2010. What is particularly disturbing is that this happened over a period when the provincial economy almost doubled in real terms.

More recently, the economic recession triggered a drop in market incomes of working-age families in Vancouver. Between 2008 and 2010, market incomes fell from \$71,200 to \$65,800, placing Vancouver toward the bottom of the income range of Canadian cities.

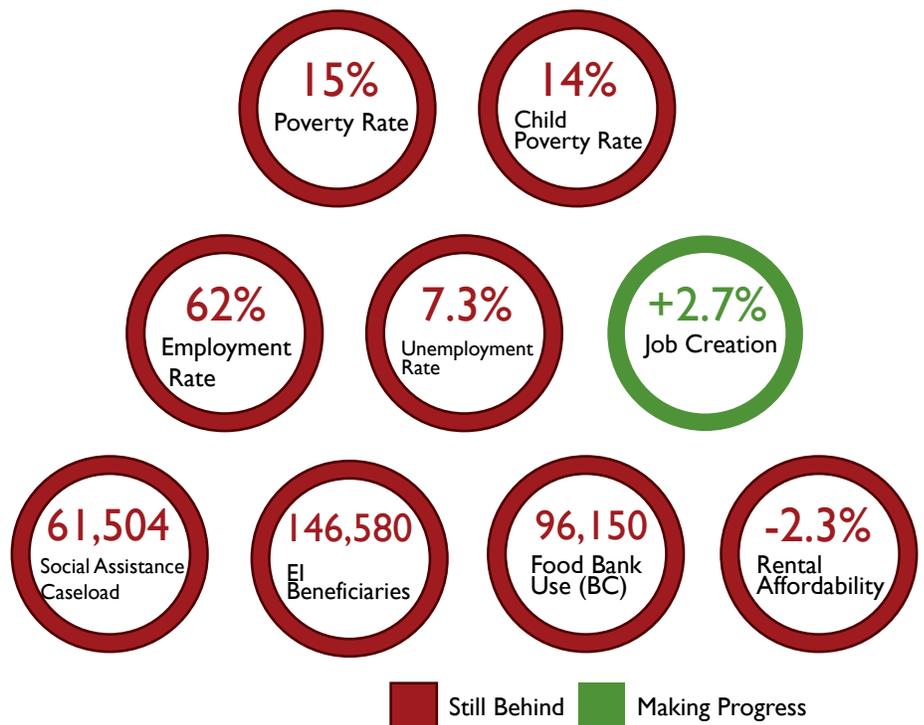
After-tax incomes largely followed the same pattern as market incomes, falling over the 2008 to 2010 period. Median incomes fell for all families of two or more by \$3,800, reaching \$67,300.

The Growing Gap

The gap between the poor and the affluent continued to widen in British Columbia during the 2008-09 recession. The after-tax income share of the poorest 20% of British Columbia families fell by 0.8 percentage points between 2007 and 2010, while the share of the top 20% grew by 1.1 percentage points.

Has Vancouver Recovered from the Recession?

Most recent information for Vancouver.



Three decades ago, the after-tax incomes of the top 20% of families were five times higher than the poorest 20%. In 2010, the incomes of the top quintile were six times higher.

These dramatic changes in income patterns are reshaping the urban landscape. Overall, Vancouver saw a 37% increase in the gap between its richest and poorest neighbourhoods from 1980 to 2005, with its poorest neighbourhoods suffering an 11% decline, while its wealthiest 10% of neighbourhoods saw incomes grow 26%.

Social Assistance

As a result of the recession, increasing numbers of individuals and families turned to the BC's social assistance program for support. Between 2007 and 2010, the average number of Temporary Assistance cases per month in the province increased by 55% to approximately 58,329. This represents a total of 88,890 adults and children.

Provincial data show that the Temporary Assistance caseload edged down in 2011 to 57,406 cases (87,816 clients) and has continued to fall in 2012. One in five of those who

rely on social assistance (including Disability Assistance) are children.

Making Ends Meet

Vancouver is notorious for having the most expensive housing market in Canada. The prohibitive cost of purchasing a home or renting accommodation places incredible stress on Vancouver families. The declining amount of rental housing is further driving up costs. As a result, the number of homeless in Vancouver has increased three-fold over the past decade.

The affordability of rental housing has worsened since the recession,

with prices increasing sharply by 14% between 2007 and 2011. Growing numbers of Vancouver residents are spending more than 30% of their incomes on housing. In April 2012, the average rent for a two-bedroom apartment was \$1,210, up from \$1,181 in April 2011, an increase of 3%.

Vancouver food banks have also experienced a significant rise in clients following the recession and the Greater Vancouver Food Bank Society noted a further 10% increase in numbers in 2011. Growing food bank use is one of the clearest signs of economic stress that Vancouver families continue to experience.

Sources

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- » CMHC (2012), Rental Market Report Highlights: Canada.
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- » Statistics Canada, CANSIM Tables 111-0020, 202-0203, 202-0605, 202-0407, 202-0802, 282-0110, 282-0116, 326-0021.

For more information, see the national Poverty Trends Scorecard—Canada 2012 at www.cpj.ca. Check out Poverty at Your Doorstep reports for other Canadian cities at www.worldvision.ca/canadianprograms.

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Partners in Action

Mennonite Central Committee BC

“It became a source of support for me and my daughter.”

Adema* came to Canada as a refugee from West Africa without her husband. Lonely and isolated, she connected with the Surrey Single Parent Support Project.

This project, sponsored by the Mennonite Central Committee BC, works to improve the lives of single parents and their families living in the Surrey area by providing: financial training and a matched savings account; peer support and individual assistance; and one-on-one counseling. It also helps to connect families to other community resources.

Through the project, Adema developed key skills and built a support network of others who shared the same struggles and aspirations. After six months in the program, she obtained employment but has since decided to become an entrepreneur. She opened her own home business – a hairdressing saloon – using her new skills, confidence and networks. Adema is now saving for two important goals: her daughter’s education, and sponsoring her husband to come to Canada.

*not her real name

<http://bc.mcc.org/whatwedo/single-parent-support>

World Vision Canada

For more information about our programs and what you can do to close the poverty gap here at home, please see www.worldvision.ca/canadianprograms or get in touch: canadianprograms@worldvision.ca, 1-800-268-5863, ext 2759.