Submission to the
Federal Poverty Reduction Strategy
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Wellesley Institute works in research and policy to improve health and health equity in the GTA through action on the social determinants of health.
Introduction

Wellesley Institute (WI) congratulates the Minister of Families, Children and Social Development on this important initiative to develop a Federal Poverty Reduction Strategy. We applaud the range of the consultations and are pleased to have this opportunity to contribute our knowledge and experience.

Wellesley Institute’s mission is to advance population health and reduce health inequities by driving change on the social determinants of health through applied research, effective policy solutions, knowledge mobilization, and innovation. Because of our focus on the social determinants of health, we have carried out many initiatives that speak directly to poverty reduction, including work on supportive housing, food security, social inclusion, connected communities, mental health and income inequality.

This submission draws on this extensive experience and is centred on what we believe are five key principles that should underlie an effective approach to poverty reduction:

1. We are all affected when the health of individuals and communities is diminished by the effects of poverty: reducing poverty is to the benefit of us all.
2. The goal of poverty reduction must be not mere subsistence, but the opportunity to thrive.
3. Communities experience poverty differently: an effective strategy will acknowledge and address how poverty differs depending on gender, race, disability, age, indigeneity, geography, and other aspects of identity.
4. An effective Federal Poverty Reduction Strategy will use an evidence-based approach that allows us to meaningfully measure the scope and depth of poverty.
5. In addressing poverty, the process is as important as the specific initiatives: an effective strategy will be developed and implemented through a person-centred policy process.

We are all affected when the health of individuals and communities is diminished by the effects of poverty: reducing poverty is to the benefit of us all

Wellesley Institute applauds recent federal measures in poverty alleviation, such as the expanded Canada Child Benefit and the forthcoming National Housing Strategy. However, more needs to be done. Inequality in Canada has been growing at an alarming rate, as has homelessness, the most extreme form of poverty. Effective policies and programs can do much to address poverty and inequality. As the State of Homelessness in Canada 2016 report shows,
mass homelessness in Canada emerged in the 1980s, following policy decisions to divest from affordable housing and reduce social spending.¹

The foremost sign of poverty in Canada is housing need. Unaffordable and unfit housing is all too common in Canada. One in eight Canadian households live in housing that is either unaffordable, in disrepair, or over-crowded. In large cities like Toronto and amongst Indigenous communities, this rate is even higher. When families can barely afford rent, there is little left over for nutritious food, transit tokens, gasoline, or childcare.² Children experience the highest rates of inadequate housing, which impacts their development and therefore the rest of their lives. Toronto is the child poverty capital of Canada, with 133,000 children living in impoverished homes in the boundaries of the City of Toronto.³ Racialized communities and new immigrants are also more likely to live in poor housing, often clustered in neighbourhoods with insufficient opportunities. Much of the diverse population that Canada and Toronto celebrates must struggle daily with inadequate housing. Many vulnerable Canadians are forced to live in poor housing due to their economic circumstances, such as the 500,000 struggling with mental illness.⁴

Reducing poverty will improve the health of individuals, our communities, and our economy, by addressing the fundamental causes of ill-health and poverty, which include insufficient incomes, barriers to education, poor housing, lack of access to good jobs, and inadequate food.⁵

We know that poverty is very damaging to the health of the 4.5 million Canadians struggling to make ends meet. For instance, the life expectancy of low-income Canadian men is more than four years shorter than their high-income equivalents.⁶ Addressing poverty will have a positive effect on health. For example, affordable housing policies for struggling families, such as social housing apartments, have been shown to improve tenant health by allowing tenants to access better quality housing than they would if they had to rely on the market alone.⁷

Poverty also damages the health of our communities and neighbourhoods by putting inequitable pressures on some groups and areas. The burden of poverty is not borne equally by all groups: for example, racialized communities and new immigrants are disproportionately likely to live in poverty.

We know that drastic economic inequality is harmful to society.⁸ Across the globe, higher income inequality is correlated with worse health and social outcomes. Societies with higher economic inequality have worse physical health, mental health, education outcomes, and more. More unequal societies are worse off whether they are rich or poor. Because income and wealth affect the ways in which individuals are included in society and the degree to which they
can participate in civic life. Reducing poverty can strengthen our social cohesion and our democracy.

As well, alleviating poverty and improving economic opportunity for all Canadians will strengthen Canada’s ability to realize its full economic potential. Economic inequality also stifles economic mobility and holds our economy back. By freeing all Canadians to reach their potential, poverty reduction can boost the Canadian economy.

Poverty reduction is ultimately more cost-effective than addressing the costs of poverty and ill-health downstream. For example, supportive “Housing First” homelessness programs provide people transitioning out of homelessness with immediate access to permanent housing with support services. These upstream programs have been shown in Canada through the *At Home/Chez Soi* study to be cheaper than dealing with the downstream consequences such as higher health costs and more expensive shelter beds.

In sum, an effective Federal Poverty Reduction Strategy will be rooted in the understanding that reducing poverty will improve the health of the individual, the community, and the economy in a virtuous cycle which will benefit us all.

**The goal of poverty reduction must be not mere subsistence, but the opportunity to thrive**

As the Ministry’s *Discussion Paper* points out, an effective Federal Poverty Reduction Strategy will first need to tackle a critical question: what does “poverty” really mean? There are significant challenges in defining poverty and developing measures and indicators. The idea of poverty is extremely subjective, grounded in societal values and community norms. Importantly, the *Discussion Paper* has recognized that poverty is conceptually distinct from “low-income.” However, the challenge of defining what poverty is and how it should be measured remains to be solved. This is an important step in developing meaningful targets for the Strategy.

Most Canadians would agree that poverty indicates an inability to meet one’s material needs: nutritious food, safe housing, and access to essentials such as clothing and transportation. Existing low-income measures, such as the Market Basket Measure, and material deprivation indicators, such as the proportion of food-insecure households, can help highlight these tangible and absolute aspects of poverty. These metrics are grounded in a standard of basic subsistence. If a family or individual met these requirements, they would, at the very least, be able to survive.
Yet poverty is about more than basic material needs. It marginalizes people economically and socially, limiting their ability to prosper and restricting their opportunities to participate. The Strategy is an opportunity to reach beyond subsistence, towards a higher quality of life for all Canadians. As demonstrated in Wellesley Institute’s *Thriving Income* project, a robust and realistic conceptualization of poverty should consider peoples’ economic and social well-being. Wellesley Institute proposes three key considerations for understanding poverty and identifying targets.

- **The Strategy should include economic mobility as a central component of poverty reduction efforts**

Poverty is not just a short-term circumstance: it is an inability to advance economically over the long term. A family may be able to manage day-to-day expenses, but they may be unable to invest in education and training, save for their retirement, or put away money for emergencies. “Living paycheque-to-paycheque” puts people in an extremely precarious position, where one unexpected event can completely destabilize their financial security. When families cannot build wealth over time, they risk creating a cycle of poverty across generations. For Canadians to truly thrive, they need enough resources to create a stable financial foundation and invest in their future. The definition of poverty adopted by the Strategy should reflect the critical importance of financial security and economic mobility.

- **The Strategy should include social inclusion as a central component of poverty reduction efforts**

Living in poverty influences the way that one is perceived and treated by others in society. Those who have less than their peers may unable to participate in civic life on an equal footing with others, they may have limited influence within their community; and they have a weaker sense of belonging. Social inclusion broadly refers to peoples’ ability to participate in Canadian life. It encompasses a broad range of contexts, from civic engagement (i.e. voting) to access to social services (i.e. health care). Social inclusion leads to better mental health and health outcomes, and societies with high levels of social inclusion have greater coherence, less violence and more trust in institutions. The definition of poverty used in the Strategy should consider how to support social inclusion for vulnerable individuals.

- **The Strategy should include community-level investments to support economic mobility and social inclusion**
While interventions to support individuals are important, the broader context of economic mobility and social inclusion cannot be overlooked. These forms of marginalization are not just about whether an individual can participate in society, but whether there are meaningful opportunities to participate. Truly inclusive communities require adequate services and supports to help people thrive.

Community programs, especially targeted at vulnerable groups, can strengthen peoples' connections to their community. To that end, the Strategy should consider investing in vital community infrastructure, such as libraries and recreation centres, community health centres, and childcare facilities. These institutions can deliver essential supports, like skills training and recreational activities, which allow people to meaningfully engage with their neighbours and build their capacities.

In sum, the Strategy will, of course, strive to ensure that every Canadian has a roof over their head, healthy food to eat, and other necessities. Yet in a country as well-resourced as Canada, we can and should strive for a higher standard—one which allows Canadians to reach their full potential in all aspects of their lives. We encourage the Strategy to adopt a definition of poverty that acknowledges multiple dimensions of marginalization, and considers peoples’ ability to thrive physically, psychologically, economically, and socially.

Communities experience poverty differently: an effective strategy will address how poverty differs depending on gender, race, disability, age, indigeneity, geography, and other aspects of identity.

Poverty is not evenly distributed across society. In Wellesley Institute’s Canada’s Colour-Coded Labour Market report, we found that racialized Canadians had lower rates of employment and have a significant gap in pay compared to their non-racialized counterparts. For example, in analysis of 2006 Census data, it was found that when looking at average employment incomes, for every dollar a non-racialized Canadian made, racialized Canadians made only 81.4 cents. This translates into an average annual employment income of $30,385 for racialized workers compared to $37,332 dollars for non-racialized workers. Amongst immigrants, racialized newcomers make 84 cents for every dollar a non-racialized immigrant makes.

Beyond acknowledging the fact of these disparities, it is important to understand that the causes and experiences of poverty will differ for various communities, and that for individuals who are members of multiple marginalized groups, the barriers will be exacerbated. It is now broadly recognized that a person’s circumstances are shaped by a multiplicity of identities and social locations that intersect and exacerbate inequities further than any one factor alone. The experience of poverty will be different for an Indigenous youth than for a Caribbean-
Canadian senior. A single mother living in a rural community will face different challenges than a newcomer in Toronto. A person with a disability will have particular challenges in obtaining education or employment, and the attitudes towards a person with a mental health disability in receipt of social assistance will be different from those towards a non-disabled racialized youth. These differences are important to keep in mind when considering approaches to poverty reduction.

For example, Wellesley Institute was pleased to see that the Ministry Discussion Paper identified both seniors and ethnic minorities as groups that are differently, and in some cases, disproportionately affected by poverty. Wellesley Institute has recently been exploring the intersection of these two groups. In our projects, The Cost of Waiting for Care and Ensuring Healthy Aging for All, we examined the experiences of culturally and ethnically diverse seniors in accessing care. We found that these seniors experience longer waits for long-term care, that they face significant barriers in accessing government-funded home care services, and that their cultural and linguistic needs are not being well met in the current system. Our research highlights the importance of considering not only the cultural and linguistic needs of these seniors, but the challenges they face in navigating complex systems, factors which should be taken into account in designing strategies to address the needs of this group.

An effective Federal Poverty Reduction Strategy will acknowledge and address both the specific and disproportionate impacts of poverty on particular groups, and this diversity of experience. Targeted interventions will complement more general approaches to poverty reduction.

An effective Federal Poverty Reduction Strategy will use an evidence-based approach that allows us to meaningfully measure the scope and depth of poverty

To be effective, the Strategy must be based on a thorough understanding of who lives in poverty, the nature of that poverty, and the effects of poverty on their lives. This requires the collection and analysis of comprehensive and precise data. Data can also be used to test the efficacy of interventions to address poverty, and can thereby improve the effectiveness and efficiency of the use of public resources.

- The Strategy should include the use of meaningful indicators to measure the impact of interventions address poverty
As was emphasized earlier in this submission, poverty is about more than just low income. To understand and effectively address poverty, data collection efforts must measure more than material need and be responsive to the experiences of Canadians living in poverty today.

Other Poverty Reduction Strategies provide examples of developing meaningful indicators to measure progress on reducing poverty that go beyond simply poverty rates. For example, Ontario’s strategy looks at children’s readiness to learn in school by kindergarten and students meeting academic standards (Grade 3 and 6). Toronto includes as an indicator the percentage of youth and young adults who are not in education, employment or training. Toronto also has an indicator on food access. The City of Waterloo’s Poverty Reduction Strategy has an indicator that looks at social inclusion, using data regarding the sense of belonging from the Canadian Community Health Survey.

Measures must adapt to emerging trends. For example, one of the key trends that the Federal Poverty Reduction Strategy must account for is the changing nature of work. There is a rise in precarious work and many Canadians experience job insecurity, irregular hours, have low wages and little to no workplace benefits. Therefore, national measures developed to capture employment rates must also reflect these changes to the labour market. This is especially important because labour market participation, income and poverty are intrinsically linked.

When developing indicators for progress and success, there is a benefit to using both qualitative and quantitative methods. Qualitative methods can include regular consultation with people who have experienced poverty to better understand the challenges they face. This data can tell us a story of the experience of poverty for people living in different communities and local contexts. Meaningfully engaging with vulnerable groups throughout the process is essential to creating a successful Poverty Reduction Strategy.

- Data collection and analysis must include detailed socio-demographic data

As acknowledged above, poverty has different impacts on different communities, but our current data collection systems are woefully inadequate in capturing the experiences of diverse populations. The commitment to vulnerable and marginalized populations including children, seniors, Canadians with disabilities, people with racialized or diverse ethno-cultural backgrounds, and First Nations, Inuit and Métis communities recognizes that different populations may be differentially impacted by poverty.

To tackle poverty in vulnerable communities where race, gender, geographic access and other factors may influence outcomes, it is important to collect detailed socio-demographic data. This data can help contextualize information and identify gaps in programs or policies. For instance,
racialized Canadians are significantly more likely to live in poverty but a lack of race-based data limits our understanding of how federal programs or policies may impact their lives. Thus, the collection of race-based data should be an integral component to the monitoring of the PRS. Developing shared data collection systems with other jurisdictions will allow the FPRS to create measures that are coherent across the country and can be compared at local and provincial levels.

In addressing poverty, the process is as important as the specific initiatives: an effective strategy will be developed and implemented through a person-centred policy process

The Discussion Paper briefly touches on issues of partnership, governance, and reporting. In the view of Wellesley Institute, the process for developing the Strategy can be equally important as the substance of the final Strategy. Not only will the quality of the process shape the final content, but a strong process can empower persons who are living in poverty, build understanding and commitment among institutional stakeholders, and ensure commitment and engagement in the implementation of the Strategy.

The key elements of such a process are:

1. Enabling meaningful engagement and empowerment for those directly affected by poverty;
2. Supporting stakeholders to work together across differences and bringing together the strengths of multiple actors in the system;
3. Diffusing knowledge and understanding about poverty, poverty reduction and the FPRS’s strategy and initiative.

Wellesley Institute recommends the incorporation of three strategies to advance such a process: an emphasis on community engagement, use of collective impact approaches, and mechanisms for transparency and accountability.

- Community engagement and participation

Community engagement and participation have the potential to deepen understanding of the issues, bridge disparate experiences, and empower those who live in poverty.

While organizations like Wellesley Institute can offer a robust evidence base for the Strategy, the perspectives of “experts by experience” – those who live with poverty and marginalization
every day – will be critical for developing and implementing an effective Strategy. Therefore, it is imperative that these communities have a real opportunity to participate in the development and implementation of the strategy. We encourage the design of a community engagement process that is accessible, equitable, and meaningful.

The development of the Strategy offers an opportunity to bring together key stakeholders who have experience in research, policy-making, service provision implementation, advocacy or community empowerment on issues related to poverty. There are many viewpoints on the causes and approaches to addressing poverty. Facilitating respectful dialogue can deepen understanding and open new approaches. It can also build commitment to the resulting Strategy across sectors and perspective, something which is necessary for effective implementation.

In recognition that different communities participate in different ways, the community engagement process should include a range of venues for input. This can build on the foundation laid down through the process surrounding the Discussion Paper. Community advisory boards, community liaisons, town halls, small-group workshops, and online discussions are a few of the many options that can be employed to ensure the process remains accessible to all.

Such venues should be embedded throughout each phase of the Strategy, from initial design to implementation to evaluation. Ongoing consultation will give community members the opportunity to meaningfully influence the decision-making process and respond to any changes to the strategy as they arise.

- **Collective Impact Approaches**

There has in recent years been growing interest in collective impact approaches to solving challenging social issues, such as poverty reduction. The collective impact approach can be an effective model to foster cross-sectorial collaboration and action on diverse issues, such as combating global malnutrition to reducing the prevalence of teenage substance abuse in the U.S. Collective impact approaches can be helpful in identifying how the federal government can work in cooperation with provincial, municipal and local counterparts to move forward poverty reduction agendas across the country.

Collective impact approaches involve the development of a common agenda, shared measurement, promoting frequent communication and providing central coordinating infrastructure.
Developing a common agenda: The federal government can play an important role in supporting alignment and coordination between the various poverty reduction strategies across the country at many levels of government. The federal government can take this opportunity to be a convening body and bring together jurisdictions across Canada to develop a shared understanding of poverty and how to best combat it. This may take the form of identifying shared priority areas for poverty reduction, or working to develop shared definitions of the problem.

Shared measurement: The federal government can make a significant national contribution by facilitating the development of a common set of indicators for poverty reduction across the country. Collecting data on common indicators in a consistent manner promotes alignment, fosters accountability and allows the opportunity to share and learn from one another. This could be combined with more localized indicators, responding to particular circumstances and needs.

Promoting frequent communication: Frequent and structured open communication between stakeholders within a region working on a shared issue builds trust, creates common motivation and ensures that mutual objectives are being met. The federal government can use its convening ability to bring together jurisdictions across Canada to talk about the actions taken by local poverty reduction strategies as well as the federal jurisdiction.

Providing central infrastructure: The federal government can make an essential contribution to national initiatives by acting as "backbone support" and offering a centralized infrastructure for poverty reduction work across the country.

- Transparency and Accountability

The Government of Canada has committed to transparency and open government, through open data, open information, and open dialogue. This commitment provides an important foundation for the Strategy.

Transparency allows the public to access unrestricted, timely, and reliable information about public sector initiatives, decisions, and performance. Transparency fosters accountability, as it provides the public with resources and information to understand the government’s commitments. With this openness, the public can hold governments responsible for their actions and inactions, and to deliver on their promises. Transparency and accountability enhance public trust and enable public participation.
A commitment to transparency and accountability requires taking an open approach to information sharing, and regular reporting, both to those directly involved in the development and implementation of the Strategy, and to the wider community.

Such a commitment also supports evidence-based approaches and provides opportunities for meaningful input. Transparency about the evidence used for policies can allow for both government and public involvement “where evidence appears to be missing, [where] there could be unintended impacts of additional problems that policy does not address, [and where] there is a possible flaw in analysis or evaluation methodology.” Transparency supports evidence based approaches and can act as a safeguard against poor research design, inconclusive evidence, and simple errors to allow for meaningful impact.

A commitment to transparency includes regular reporting, in accessible languages and formats, to all stakeholders and to the general public.

**Conclusion**

Strong social cohesion and inclusion provide a foundation for good health for all of us. We all benefit from a society in which every Canadian has the opportunity to thrive and to contribute. An effective Federal Poverty Reduction Strategy can play an important part in developing a society in which we all have what we need in order to lead a healthy life. Wellesley Institute will follow the development and implementation of the Strategy with interest, and would be pleased to provide further information or support in this endeavour.
References


Statistics Canada, CCHS, CANSIM Table 102-0122 - Health-adjusted life expectancy, at birth and at age 65, by sex and income, Canada and provinces, occasional (years)

Statistics Canada, CIS, CANSIM Table 206-0041 - Low income statistics by age, sex and economic family type, Canada, provinces and selected census metropolitan areas (CMAs), Annual.


ENDNOTES


Statistics Canada. CANSIM Table 102-0122. “Health-adjusted life expectancy, at birth and at age 65, by sex and income, Canada and provinces”


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