

Poverty Reduction Policies and Programs

Manitoba

By Tom Carter and Chesya Polevychok
University of Winnipeg

Social Development Report Series, 2009
Commissioned by the CANADIAN COUNCIL ON SOCIAL DEVELOPMENT



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MANITOBA

INTRODUCTION

“The poverty of our century is unlike any other. It is not, as poverty was before, the result of natural scarcity, but of a set of priorities imposed upon the rest of the world by the rich. Consequently, the modern poor are not pitied...but written off as trash. The twentieth-century consumer economy has produced the first culture for which a beggar is a reminder of nothing.” John Berger

Poverty amidst plenty. This might be a good characterization of the current situation in the Province of Manitoba. Long considered to be a “have-not” province and even today not experiencing the “plenty” of some of its provincial counterparts, Manitoba has been experiencing “good times” for a number of years. But despite the good times, not everyone has been able to share the wealth. Poverty manifests itself in many ways: the panhandler on the streets of Winnipeg; the single mother with three children in a rural community; the refugee family living in decrepit housing; the Aboriginal family waiting in line at the food bank; and the senior living on a minimum pension in unaffordable rental housing. There are many faces of poverty in Manitoba.

This report profiles poverty in the Province of Manitoba. A brief overview of the provincial economy sets the context, followed by a descriptive profile of the “face” of poverty in the province. Factors that have helped shape social development and poverty alleviation policy are discussed, including the influence of particular organizations. Select poverty reduction policies and initiatives are also profiled. Throughout the report, the role of the province is emphasized. The paper concludes with an assessment of the current situation and the effectiveness of current approaches in alleviating poverty.

SETTING THE CONTEXT

The Manitoba Economy: Modest but Steady Growth

Manitoba’s economy continues to be one of the most diversified in Canada, and economic indicators over the last few years illustrate that Manitoba has outperformed the national economy on a number of key measures (see Figure 1). In 2007, labour force growth was 1.7%, adding 10,000 workers, and labour force participation rates were at record-high levels.¹ Despite this growth, however, labour shortages continue to be a concern for Manitoba businesses and employers. The unemployment rate was 4.4% in

2007 – the fourth lowest among the provinces – and in November 2008 it stood at 4.2%, third only to Alberta (3.4%) and Saskatchewan (3.7%) (Statistics Canada, 2008a).

Over the past few years, strong economic conditions coupled with labour shortages have put upward pressure on wages, particularly in sectors like construction where there is a severe shortage of skilled trades people. Such shortages have prompted an increase in Manitoba's average weekly earnings, up 4.2% in 2007 to \$702. This was above the 3.1% increase nationally and third highest among provinces. Other economic indicators show that Manitoba is currently outperforming the national economy on a number of key measures: growth in real gross domestic product, capital investment, housing investment, housing starts, retail sales, foreign exports, manufacturing, and farm cash receipts. Manitoba was expected to do better than Canada in terms of its economic growth in 2008 and 2009, making five years of stable economic growth, but the current economic downturn and expected recession may change this scenario.

Figure 1

Percentage change in key economic performance indicators, Manitoba and Canada, 2005 to 2008

	Manitoba			Canada	
	2005	2006	2007	2007	2007
Real GDP	2.8	3.3	3.0		2.7
Capital Investment Total	2.0	14.6	16.8		5.6
Housing Investment	7.8	9.8	11.2		8.5
Housing Starts	6.6	6.3	14.1		0.4
Retail Sales	5.9	4.5	9.4		5.8
Employment	0.6	1.2	1.6		2.3
Unemployment Rate (%)	4.8	4.3	4.4		5.9
Average Weekly Earnings	3.8	2.5	4.2		3.1
Foreign Exports	-0.9	10.6	13.9		1.6
Manufacturing	3.3	8.3	8.0		0.3
Farm Cash Receipts	-2.3	-3.0	18.0		9.5

Note: Indicates percentage change in indicator, unless noted otherwise.
Source: Manitoba, *Economic Highlights March 2008*, *Economic Indicators* March 2008.

The strong economy has also been reflected in more positive population growth. Manitoba's population of 1,148,401 people in 2006 was only 16.2% higher than its population in 1971, while over that same period, the population of Canada grew by 46.6% (Statistics Canada, 2007). However, after years of slow growth, the province has posted positive increases in recent years: up 9,500 from July 2006 to July 2007, and by 14,400 from July 2007 to July 2008. Net international migration has posted gains of approximately 9,000 over the last two years. In 2006 and 2007, Manitoba was the destination of almost 11,000 international immigrants and refugees, and in the first quarter of 2008, Manitoba's immigration rate ranked third highest among the provinces. By July 2008, 1,208,000 people called Manitoba home (Manitoba Bureau of Statistics, 2008).

Although Manitoba's current economic performance is strong relative to the national economy, the province is certainly not immune from other challenges and risks likely to arise during this economic slowdown. The recent strength of the Canadian dollar in relation to the American dollar has presented difficulties for manufacturers and exporters, as the United States is the province's major importer. In the last couple of months, the drop in the dollar has made Manitoba's exports more competitive, but the value is lost because of weak consumer confidence in the U.S. that will reduce the demand for Manitoba exports. The future performance of the U.S. economy will have a significant effect on the economy in Manitoba.

Income and Poverty Changes in Buoyant Economic Times

Income Trends: Have the buoyant economic times and positive population growth contributed to improvements in provincial incomes and reductions in poverty? Income trends in Manitoba reflect similar trends at the national level, although median incomes are lower in the province. Between 1996 and 2006, median household incomes in Manitoba increased by 8.7%, to \$47,875; over that same period, median household incomes in Canada increased by 9.1%, to \$53,438. The median income of all economic families in Manitoba rose by 11.6%, to \$60,754, compared to a national increase of 12.5%, to \$66,343. For persons not in families, the respective increases were 18.5% to \$23,384 and 17.6% to \$24,808 (Statistics Canada, 2008b). As is the case nationally, the incomes of those in the top fifth of the income distribution in Manitoba have been increasing much more rapidly than the incomes of those in the bottom fifth and, when incomes are adjusted for inflation, the incomes of low-income households have not kept pace with increases in the costs of living.

Despite the increase in average weekly earnings noted previously, the Manitoba average remains the lowest in the West, and well below the national average of \$771. Low wages contribute to a high rate of poverty in the province, and Manitoba continues to be a low wage economy, ranking ahead of only Nova Scotia and PEI in average weekly earnings (Social Planning Council of Winnipeg, 2008). In 2008, Manitoba's minimum wage was raised to \$8.50 per hour (Province of Manitoba, 2008a). At that wage, a single person working full-time in Winnipeg would have to work 50 hours per week to reach the poverty line (based on the before-tax LICO), and a single parent would have to work 58.5 hours per week. In order to raise a single worker above poverty, the minimum wage would need to be \$10.87 per hour in a 37.5-hour work week (Social Planning Council of Winnipeg, 2008).

The minimum wage in Manitoba is not indexed to the Consumer Price Index (as in the Yukon) nor adjusted yearly to average wages (as in Alberta). This lack of indexation presents a problem both for workers facing rising costs of living and for employers looking for predictability (Social Planning Council of Winnipeg, 2008). And while raising the minimum wage would be helpful, it would be better to implement a strategy to create good jobs. Manitoba has fallen well-behind the national average in terms of job creation in sectors that pay good salaries. For example, between 2001 and 2006, the increase in jobs in Manitoba in the mining, oil and gas extraction industries was 8%, while the increase in Canada was 43%; in business services, the respective figures were 16% and 34%, and in health care, job increases were 6% and 14% (Statistics Canada, 2008b).

There is a common perception in Manitoba, and probably nationally, that poor people don't have full-time jobs or they are youth working part-time. While that is true to a point, 52% of low-wage workers in Manitoba are working full-time, more than 30 hours each week, and approximately 45% of those are adults aged 25 and older (Social Planning Council of Winnipeg, 2007). In 2006, almost 62% of poor children in Manitoba lived in families in which the family members worked the equivalent of one full-time full-year position. In fact, 10.2% of all children in the province living in families with the equivalent of a full-time full-year position were poor – the second worst province in this regard (Social Planning Council of Winnipeg, 2008).

Poverty Trends: There are many different poverty indicators. Strong economic growth since the late 1990s contributed significantly to lowering the proportion of Canadians with low income. Based on after-tax income in 2005, 12.0% of all persons in Canada were below the after-tax poverty line.² The poverty rate was highest in British Columbia (at 13.6%), followed by Manitoba (at 13%), and it was lowest in Prince Edward Island, at 7.5% (Statistics Canada, 2008b). In 2005, 12.6% of Canadians living in the major Census Metropolitan Areas (CMAs) experienced low incomes compared to 8.4% of those living in other areas (HRSDC, 2008). The highest rates of low income were found in Winnipeg (15%), Vancouver (15%), and Montréal (14%).

Looking at before-tax poverty rates for different household types³ reveals that among all economic families, female lone parents had the highest incidence of low income in 2005, at almost 40% (see Figure 2), and among those living in Winnipeg, the rate was 41% (Statistics Canada, 2008b). In fact, Winnipeg had a higher incidence of poverty among all family types than the province overall. The data also illustrate that poverty rates for all family types have declined since 2000.

Figure 2

	Manitoba		Winnipeg CMA	
	2000	2005	2000	2005
All Economic Families	17.5	12.3	18.6	13.9
Couple Families	10.6	7.8	10.6	8.6
All Lone-parent Families	43.3	36.3	44.3	37.9
Male Lone-parent Families	25.6	20.2	29.2	22.1
Female Lone-parent Families	46.8	39.8	47.3	41.1

Note: Before-tax Low Income Cut-off for 2000 and 2005
Sources: Statistics Canada, 2001 Consortium Cross-Tabs and 2006 Cumulative Profile.

Data in Figure 3 illustrate the incidence of low income by age group (using after-tax LICOs), for economic family persons and unattached individuals in Manitoba between 1997 and 2006 (Statistics Canada, 2008e).⁴ In 2006, the incidence of low income for all persons was 11.4%, a decline of almost four per cent compared to 1997. It was higher for young people under age 18 (12.4%) and for those aged 18 to 64 (12.0%) than for seniors aged 65 and older (6.4%). More women than men lived below the LICO (12.2% and 10.6% respectively), and the proportion of senior women below the poverty line was almost three times larger than for senior men (9.0% and 3.2% respectively).

Among persons in economic families in 2006, the incidence of low income was highest for youth under age 18, especially for children living in female lone-parent families (22.0%). The incidence of low income was much higher among unattached individuals than for persons in economic families – 26.3% and 8.8% respectively – and unattached women under age 65 were the most likely to live in poverty in 2006, at almost 41%.

For nearly all categories, there was a noticeable improvement in poverty levels in 2006 compared to 1997. The 1997 figures reflect the economic downturns that occurred in 1993 and 1996, while the 2006 figures reflect the more buoyant economy of the late 1990s and early years of the new millennium. It is worth noting that although poverty rates in Manitoba were higher in 2006 than they were nationally for most household types, there was one exception. There has been a significant improvement in the poverty level for persons in female lone-parent families in Manitoba – from 59.8% to 21.8% – and at 21.8%, it is much lower than the national rate of 32.3%. This drop is due, in part, to the federal child tax credit and removal of the provincial claw-back on the federal funds.

Figure 3

	1997	2006	Canada 2006
All persons	16.3	11.4	10.5
Under 18 years	21.9	12.4	11.3
18 to 64 years	14.9	12.1	11.3
65 years and older	12.4	6.4	5.4
Males	14.3	10.6	10.1
65 years and older	7.9	3.2	3.4
Females	18.3	12.2	10.9
65 years and older	15.7	9.0	7.0
Economic family persons	13.3	8.8	7.3
Males	12.2	8.5	6.9
Females	14.4	9.0	7.8
Elderly persons	4.5	2.3	1.4
Elderly males	5.5	1.6	1.1
Elderly females	3.3	3.1	1.7
Persons under 18 years of age	21.9	12.4	11.3
In two-parent families	16.4	10.4	7.7
In female lone-parent families	59.8	21.8	32.3
In all other economic families	27.4	21.8	9.5
Persons 18 to 64 years of age	10.6	8.3	6.8
Males	9.0	8.0	6.1
Females	12.3	8.5	7.4
Unattached individuals	35.0	26.3	29.2
Males	28.4	22.2	28.8
Females	40.7	30.4	29.6
Elderly persons	25.1	14.1	15.5
Elderly males	15.7	8.2	14.0
Elderly females	28.6	16.7	16.1
Persons under 65 years of age	40.9	31.8	33.7
Males	31.9	25.5	31.2
All persons	30.6	21.2	23.3

Note: Shows percentage in low income using After-tax LICO (1992 base)
Source: Statistics Canada, *Income in Canada 2006*,
www.statcan.ca/english/freepub/75-202-XIE/75-202-XIE2006000.htm

Depth of Poverty: Poverty levels in Manitoba have declined, however, for many of those living in poverty, the depth and duration of poverty is cause for concern. Among two-parent families in Manitoba, the depth of poverty (dollars below LICO) remained constant between 1989 and 2006, ranging from \$10,400 to \$10,200 (Social Planning Council of Winnipeg, 2008). With the exception of only one year (2001) over that period, the average depth of poverty for this family type has been more than \$10,000, indicating continued material deprivation for many children. The situation has improved for some family types. The average depth of poverty for female lone-parent families dropped from \$8,700 to \$8,500 in 2005, its lowest level in more than 20 years and much lower than the 1989 level of \$13,100 below the poverty line (ibid.). The more time spent in poverty, the greater its potential effect on an individual or family. Human Resources and Social Development Canada reports that between 1999 and 2004, 5.5% of Canadians were in poverty for four years or more; for Manitoba, the equivalent figure was 4.6% (HRSDC, 2008).

Other Indicators of Poverty: Other indicators of poverty in Manitoba that illustrate the difficult situation some people face include, for example, the use of food banks, shelter costs, and increases in the costs of goods and services that household must purchase.

Hunger Counts: Manitoba food banks provide food to more than 40,464 people every month, and 46% are children (Food Banks Canada, 2008). Food bank users represent 3.4% of the provincial population, the second highest level of food bank use in Canada (ibid.). Thirteen per cent of food bank users in Manitoba report having employment income, but they do not earn enough money to buy the food they need (ibid.). In Winnipeg, Winnipeg Harvest delivers food to more than 39,000 people each month through 300 agencies in local neighbourhoods (Northcott, 2008). An increasing number of new Canadians are calling to register for food assistance, and agencies that work with immigrant populations are applying to become food banks (Canadian Association of Food Banks, 2007). There are also more rural communities in the province that are requesting food and help for families in those areas.

Shelter Costs: In 2006, approximately one-fifth of Manitoba households spent 30% or more of their income on shelter, basically unchanged from five years earlier, and the lowest proportion among the provinces. Among renter households, the proportion spending 30% or more on shelter costs remained high but it declined from 37.1% in 2001 to 35.5% by 2006; for owner households, it rose from 11.3% to 11.5% (Statistics Canada, 2008b). Looking at this from another perspective, the median household income in Manitoba increased by 2.4% over this period but the average rent for a two-bedroom unit in the province rose by 16%, from \$596 to \$692 per month. In Winnipeg, the increase was 17% (CMHC, 2008). With rents rising much faster than median incomes, renters who earn less than the median income have difficulties with housing affordability. In addition, these statistics do not reflect the significant increases in shelter costs since 2006, particularly increases in energy costs.

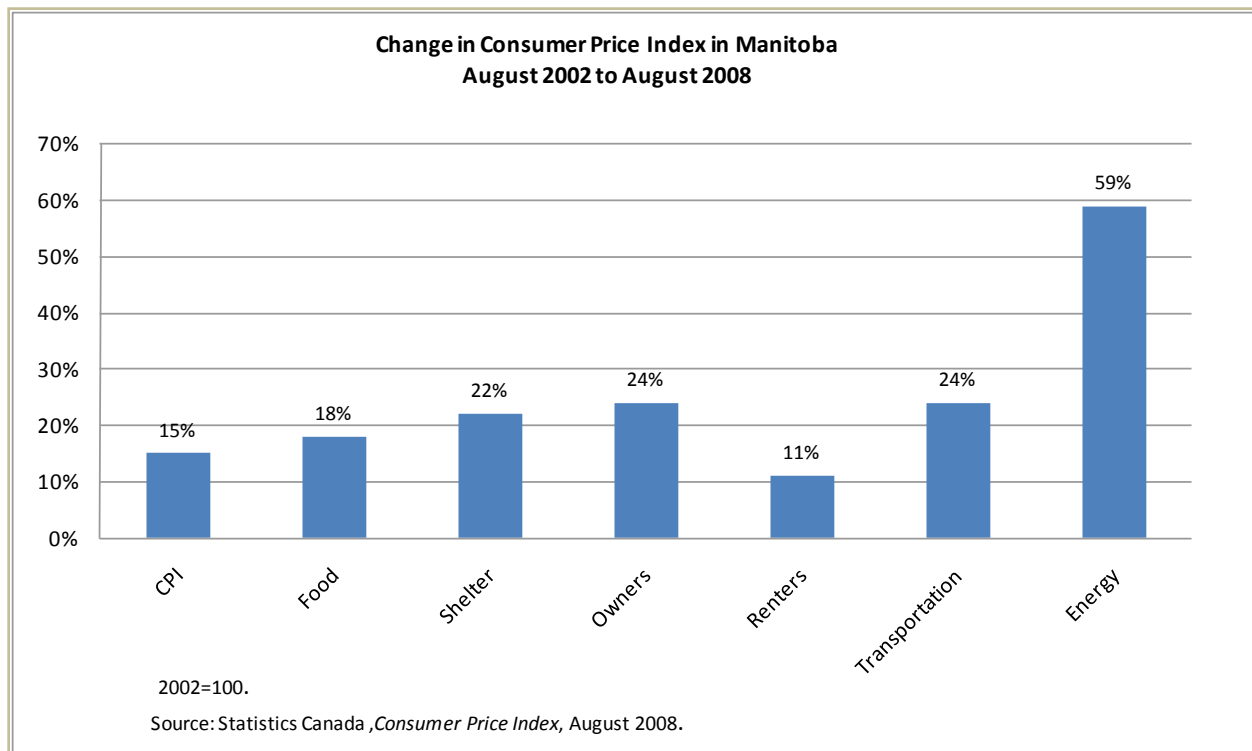
Household Costs and Expenditures: With little improvement in incomes, households are being squeezed by increases in the costs of basic expenditures that all households have to make, regardless of income. Between 2002 and 2006, the average expenditures of Manitoba households

grew by 14.5%, but their real incomes grew by slightly more than 2% (Statistics Canada, 2006a). And while some expenditures may be discretionary, the average expenditures on public transportation and health care grew by 37% and 30% respectively (*ibid.*), increases which hit some low-income households very hard.

Inflation in the prices of food, shelter, transportation, and energy costs as measured by the Consumer Price Index (CPI) have exceeded general inflation rates. Between August 2002 and August 2008, the CPI increased by 15%, food by 18%, shelter by 22%, transportation by 24%, and energy by 60%. Shelter costs for owners increased by 24% and for renters, by 11% (Statistics Canada, 2008c). With rapidly rising energy costs, “energy poverty” has become a significant problem, as many of the poor live in older, less energy-efficient accommodations.

Although these indicators do not speak directly to levels of poverty in Manitoba, they do illustrate the difficult circumstances that poor people in the province face. The cost increases noted above are all higher than increases in provincial incomes, particularly for low-income households. It is not surprising, therefore, that more households are using food banks to help make ends meet.

Figure 4



In summary, incomes in Manitoba have been increasing at rates that approximate the national level, and the proportion of people and families in poverty has been declining since the mid-1990s. That is the positive side of the picture. Those most likely to experience poverty include: lone-parent families, particularly those led by women; unattached individuals, and women more than men, particularly single women under age 65; and the young more than seniors. The depth of poverty is cause for considerable

concern. Those living in poverty are often thousands of dollars *below* the poverty line, and some may live below the poverty line for several consecutive years. And although there have been improvements in poverty levels, recent increases in the costs of shelter, food, transportation, health care, and energy are placing additional pressures on the poor. All people have to eat, obtain housing, consume energy and take care of their health; in low-income households, these items are consuming more of their meagre incomes. The current economic downturn, while still not as serious in Manitoba as in some other parts of the country, raises the potential of higher unemployment rates, pressures to reduce wages, and reduced funding for social programs. The future is uncertain and could reverse the recent trends towards lower levels of poverty.

THE FACE OF POVERTY IN THE PROVINCE

Sectors Prone to Poverty

Although these general statistics are informative, a discussion of specific sectors of society that are trying to cope with the difficult challenges of poverty helps put a more realistic “face” on poverty in Manitoba.

The Aging Society: In 2006, 14% of Manitobans – 161,890 people – were over the age of 65. The proportion of seniors has been increasing for several decades, and it is projected to reach 21.3% of the population by 2026. In addition to a greater number of seniors, there will also be a greater number of older seniors: those aged 65 to 74 will increase from 7% of the population in 2001, to 11% by 2026; those aged 75 to 84 will grow from 5.1% to 6.8% of the population, and those aged 85 and older will comprise 2.6% of the population by 2026, up from 1.9% (Statistics Canada, 2005).

As the baby-boomers become seniors, many have considerable income and assets, particularly if they are mortgage-free homeowners. However, not all seniors have benefited to the same extent from good economic times. This is particularly true for women living alone, with 41% of unattached females under age 65 living below the after-tax poverty line (Statistics Canada, 2006b). It is likely that this trend towards economic inequality will continue, and that the current economic recession will have a deteriorating effect on the investments that seniors and near- seniors depend on for their retirement.

The Aboriginal Population: In Manitoba, Aboriginal people have much lower incomes than the population as a whole. Among those aged 15 and older, the median annual income in 2005 was \$15,246 among Aboriginals, but \$24,194 for the overall provincial population (see Figure 5). The respective figures for median household income were \$37, 521 and \$47,875. Aboriginal incomes are lower because Aboriginal people have lower levels of education and skills development compared to the non-Aboriginal population, they have lower labour force participation rates, and fewer work full-time and full-year. Unemployment rates among Aboriginal people are almost three times the rates of the overall

provincial population, and there are higher rates of dependence on government transfer payments. These characteristics pose significant challenges in terms of poverty reduction among Aboriginal people.

The Aboriginal population, particularly renters, represents one of the most poorly housed segments of Manitoba society. In 2006, homeownership rates among Aboriginal people were 20% to 25% lower than rates in the population as a whole (see Figure 5). According to the 2006 Census, almost one-quarter of the dwellings occupied by Aboriginal people were in need of major repairs, compared to 10% of all Manitoba dwellings, and Aboriginal people were three times more likely to live in overcrowded dwellings. High poverty rates, poor housing conditions, and a highly transient lifestyle often place Aboriginal people at a higher risk of homelessness. It is estimated that as many as 10,000 people in Winnipeg – most of them Aboriginal – are part of the “hidden homeless” – that is, they live precariously or temporarily with friends or family (Distasio et al., 2005).

Figure 5

Aboriginal population, select indicators, 2006					
	Aboriginal Population		General Population		
	Winnipeg CMA	Manitoba	Winnipeg CMA	Manitoba	Canada
Owners	46.6	43.9	67.2	68.9	68.4
Renters	53.1	39	32.8	28.5	31.2
Band		17.1		2.6	0.4
Dwellings requiring major repairs	14.2%	23.4%	8.4%	10.3%	7.5%
Dwellings with more than 1 person per room	2.2%	6.2%	1.2%	1.8%	1.5%
Median income of Individuals aged 15 and older (2005)	\$18,184	\$15,246	\$26,334	\$24,194	\$25,615
Median household income (2005)	\$38,494	\$37,521	\$51,314	\$47,875	\$53,634
Government transfers as % of total income (2005)	19.4%	21.5%	11.0%	12.5%	11.1%
Unemployment rate	11.3%	15.4%	5.0%	5.5%	6.6%
Participation rate	65.6%	59.2%	68.6%	67.3%	66.8%
Population with less than high school education	30.4%	41.0%	14.9%	20.4%	15.4%
Child dependency ratio (0 to 14 / 15 to 64)*100	46.0	53.0	26.0	29.6	25.7
Lived at a different address 1 year ago	25.1	18.1	14.5	13.5	14.1
Lived at a different address 5 years ago	56.6	41.8	39.7	36.6	40.9

Note: Income and Government Transfers data for Aboriginal population in Winnipeg refers to the City of Winnipeg
Source: Statistics Canada, 2006 Census data.

Immigrants and Refugees: Immigrants and refugees are more likely to live in poverty and to endure it over longer periods of time compared to other Canadians. Using before-tax LICOs, the poverty rate among recent immigrant children in Manitoba was 51% in 2000, more than double the rate for the province as a whole (Social Planning Council of Winnipeg, 2007).

Refugees in particular face a number of barriers to successful settlement and integration: a lack of language skills, low educational levels, virtually no savings or resources, and health problems, to name a few. Over the last decade, one-fifth of refugees coming to Winnipeg have no education and 55% have less than a secondary school education (Magoon, 2005). Between 2001 and 2004, the proportion of refugees coming to Winnipeg who had no education increased to approximately 29% (ibid.).

A recent longitudinal study on “The Housing Circumstances of Recently Arrived Refugees: The Winnipeg Experience” (Carter et al., 2008) found high levels of poverty among refugee households. In the first year of residency, 91% of refugee households lived below the before-tax LICO. Although the financial circumstances of these households had improved in the second year of the study, 69% were still below

the poverty line, and by the third year, the proportion in poverty had dropped to 53%. Yet even after living for three years in Winnipeg, the poverty level among refugee households was still more than twice as high as all households in the city.

Single-parent Families: Rates of poverty in Manitoba are especially high for single-parent families, most of which are headed by women. And while there has been some progress in improving the circumstances for female lone-parent families, approximately 40% lived in poverty in 2005 – more than double the rate of other family types (Statistics Canada, 2006b). Poverty leads to other challenges – poor quality and unaffordable housing, problems with a lack of child care, barriers to improvements in education and employment, and more.

Child poverty: Manitoba has a chronic problem of child poverty. In 2005, 47,000 children lived in before-tax poverty – a poverty rate of 18.7%. Using after-tax LICOs, the number was 31,000 children in poverty and a poverty rate of 12.4% (Social Planning Council, 2008). The long-term trend shows little improvement in poverty levels for low-income families with children. Since 1989, Manitoba's child poverty rate has been well-above the national average and one of the highest among the provinces. This trend continued in 2005, with Manitoba's child poverty rate ranking third highest among the provinces using both before- and after-tax measures (*ibid.*). And the poverty is persistent: between 1999 and 2004, an alarming 38% of all Manitoba children lived in poverty for at least one year – 27% lived in poverty for one to three years, and 11% were in poverty for four or more years (Social Planning Council of Winnipeg, 2007).

The New Middle-income Poverty: Over the last decade, the incomes of some middle-income groups have simply not kept pace with increases in the basic costs of such things as housing, taxes, utilities, food and other essentials. This has negatively affected their ability to add to the family's net worth and achieve a measure of financial security. In fact, middle-income Canadian families have seen some of the sharpest drops in relative wealth compared to other households – in some cases, by up to one-third (Morissette and Zhang, 2006).

All of the increase in net worth for the middle 20% of Canadian families has been due to the increased value of the family home, and this value is now threatened by changing housing market circumstances. The real value of non-RRSP investments and savings of these middle-income families has actually gone down (*ibid.*). Increasingly, middle-income families must rely on lines of credit secured against their homes in order to pay their bills, and line-of-credit debt has surged by a factor of 2.3 in the last six years alone (Statistics Canada, 2006c). For more and more families, the dream of being mortgage-free or debt-free is fading.

Middle-income families are also becoming more limited in their capacity to mitigate negative income shocks or to build forward-looking strategies. For instance, young adults are delaying their transition from the parental home. Between 1981 and 2006, the proportion of young adults aged 20 to 29 who lived in their parental home rose 16 percentage points, from 27.5% to 43.5% (Statistics Canada, 2007). In Manitoba in 2006, the proportion reached 40%.

These changes have negatively affected the families' purchasing powers, with some middle-income families falling into lower income brackets and some experiencing poverty for the first time in their lives.

Geographical Patterns of Poverty in the Province

Poverty in Manitoba has some specific spatial patterns, related to the location of certain marginalized groups of people. In 2006, Manitoba was home to 15% of all Canadians who reported Aboriginal identity (Statistics Canada, 2008d), and between 1996 and 2006, the province had the highest increase in its Aboriginal population, at 36%. The Census Metropolitan Area (CMA) of Winnipeg is home to 68,380 Aboriginal people, representing 10% of population. Approximately 42% of this Aboriginal population live within the inner city boundaries, where the stock of older, poor-quality and lower-priced rental housing is concentrated (Carter and Polevychok, 2004). Aboriginal single parents and unattached individuals in particular are concentrated in Winnipeg's inner city; there are lesser concentrations in the smaller urban centres of Thompson, Brandon, Portage la Prairie, Selkirk, and The Pas. The Pas contains the highest proportion of Aboriginal people in the province.

Winnipeg is also a destination for refugees to the province. The number of refugees coming to Manitoba grew from 649 arrivals in 1998, to 1,170 refugees in 2007 – most of whom settled in Winnipeg (Manitoba Labour and Immigration, 2008). Similar to the Aboriginal population, refugees and new immigrants tend to have lower incomes and are highly concentrated in the inner city neighbourhoods of Winnipeg, due to the availability of less-expensive housing and close proximity to services. Although poverty is not entirely a big city phenomenon, there is a significant concentration of the poor in Winnipeg, particularly in the inner city.

Conclusion

Despite improved economic circumstances and job prospects for some, there are marginalized groups in Manitoba that have been unable to access the benefits of that economic growth. Macro-level changes such as the globalization of economies and the associated labour force restructuring have led to a decline in the number of blue-collar jobs, especially in manufacturing, and left fewer employment opportunities for low-skilled workers. Between 2001 and 2006, Manitoba's manufacturing sector declined by approximately 4,400 workers (Statistics Canada, 2008b). In contrast, employment increased in the services sector, notably in retail trade, real estate, professional and business services, scientific and technical services, and education and information services ("the new economy"). Some of these jobs provide good incomes, but others, such as those in the retail and food services sector and in the information industry (call centres), provide little more than minimum wages. There was also significant growth in the construction sector, but some of these jobs are seasonal and relatively low-wage positions. Employment in all sectors grew by 9% in Canada between 2001 and 2006, but by only 5% in Manitoba (ibid.).

This restructuring of the economy and the changing nature of the labour force has relegated some households to a “life of poverty” and made the employment situation of marginalized groups increasingly insecure. Families and households are living on minimum wages or on social assistance rates that have not kept pace with inflation and they are unable to access the limited supply of low-income housing. Many of those left behind are not well positioned to bounce back. For many, the immediate daily struggle to meet basic needs for food, shelter, and clothing monopolizes all their efforts, pushing out dreams of future possibilities.

INFLUENTIAL FORCES SHAPING SOCIAL DEVELOPMENT IN THE PROVINCE

The poverty circumstances described above have not gone unchallenged. They have been the focus of innumerable initiatives to improve the position of those living in poverty in Manitoba, and these efforts are part of a larger process of social development in the province, defined here as the process of optimizing the living conditions and opportunities of all individuals and communities to achieve well-being. This section of the report highlights the institutions, initiatives, and trends that have shaped social development and poverty reduction efforts in Manitoba.

There have been a number of influential forces shaping social development in Manitoba. The characteristics and circumstances of some marginalized sectors of the population, such as the Aboriginal population, “cry out” for action to address their marginalized status. Many organizations have risen to these challenges and been instrumental in promoting policy and program initiatives to implement positive changes. There are also many organizations – ranging from Aboriginal groups to community-based cooperatives – that have worked to realize the social development agenda in the province. Planners, educators, academic institutions, and philanthropic organizations have played similar roles. Models of political co-operation and a supportive political philosophy have also been influential.

The following discussion focuses on these “drivers” of social development and anti-poverty programming.

Trends, Organizations and Factors Shaping Social Development

Aboriginal Organizations: Aboriginal issues are always on the political, social and economic agenda in Manitoba. The perilous state of the Aboriginal population and the number of organizations that have been established to work with Aboriginal people have influenced policy development in the province around poverty alleviation. The activities of organizations working on behalf of Aboriginal people include advocacy, education, research, the provision of culturally relevant services, and policy development. In turn, this work leads to political pressure, political responses, and program funding. Although Aboriginal

affairs are often regarded as a federal issue, the Province of Manitoba plays a more significant role than might otherwise be the case without the activities of these organizations.

The many active organizations have introduced a range of initiatives with a variety of social development objectives. These include: advocacy, empowerment and the promotion of awareness and understanding of First Nations culture; education, training and employment services; life skills training and employment opportunities for Aboriginal youth; and preventive and supportive programs and health and wellness services for Aboriginal families and children. Among the organizations that have played a prominent role are the following: Aboriginal Health and Wellness Centre, the Manitoba Indian Cultural Education Centre, Inc., Métis Resource Centre, Centre for Aboriginal Human Resource Development, Indian and Métis Friendship Centre of Winnipeg, Ma Mawi Wi Chi Itata Centre, Ka Ni Kanichikh, Mother Of Red Nations, Women's Council of Manitoba, Inc., and Owiisookaage Inc., to name a few (Aboriginal Education Directorate, 2008).

Several Aboriginal organizations in Winnipeg plan for, develop, and manage adequate and affordable housing, including Dial-A-Life Housing Inc., Kanata Housing, Kekinan Centre, Kinew Housing Corporation, and Payuk Inter-Tribal Housing Co-op. By addressing the need for secure, affordable, and suitable housing, these groups also directly or indirectly address other social needs and help build stronger communities.

One can say without fear of contradiction that there would not have been the same level of social development in Manitoba without the activities of these organizations. The significant role of these groups in influencing social development policy may not be unique to the province. Nevertheless, because of the large Aboriginal population and the hard work and dedication of many Aboriginal individuals and organizations, Manitoba has been in the forefront with other provinces, such as Saskatchewan, and its social development and anti-poverty programming has been enriched because of the Aboriginal involvement.

Community Organizations Addressing Urban Decline: Winnipeg's inner city problems include high rates of poverty and unemployment, street-gang activity, prostitution, violence, and dilapidated housing. These problems have prompted the development of social policies and programs for community and economic development to address the issues, and they have spurred the development of strong community and neighbourhood organizations, both Aboriginal and non-Aboriginal. As early as the 1970s, the province worked with municipal governments to introduce comprehensive approaches to planning for neighbourhood revitalization. This included a strong role for the community in the development of policies that integrated social initiatives with community-based economic development. And this was done by supporting the development and on-going operations of neighbourhood organizations. Community-based organizations working in Winnipeg's inner city include the North End Community Renewal Corporation, Spence Neighbourhood Association, and the West Broadway Development Corporation, to name a few. These organizations work to renew and revitalize neighbourhoods, both socially and physically. They are involved in the planning and administration of programs such as employment training and job creation, community economic development, housing

development and coordination, “greening,” youth empowerment, safety, and health. They bring a grassroots perspective to social development.

A Strong Co-operative Movement: Manitoba has a strong co-operative movement. With a focus on local issues, participatory decision-making, strong grassroots connections in the community, and a mandate to address issues of social equity, the co-operative sector has influenced social development policy. Today there are more than 415 co-ops, credit unions and caisses populaire in Manitoba, comprising more than 800,000 members and almost \$10 billion in assets. The first permanent housing co-operative for families in Canada was the Willow Park Housing Co-operative in Winnipeg. Since then, the province’s cooperative housing sector has grown to include upwards of 46 housing co-ops, although with reduced federal and provincial government funding, few have been developed recently.

Neechi Foods Co-op Limited is a worker co-operative that operates a small supermarket in Winnipeg’s north-end. “Neechi” means “friend” in Ojibwa and Cree. All employees are Aboriginal and the co-op has generated further employment in the neighbourhood by marketing moccasins and other home-made crafts produced by Aboriginal women. The store has had a positive influence on the health of neighbourhood children with its popular “kids only” basket of fresh fruit, sold at cost, at the front counter.

The Assiniboine Credit Union in Winnipeg has been named one of the top 100 companies in the province. It illustrates that mainstream banking services and commercial lending can be balanced with social initiatives such as the development and support of affordable housing partnerships, financial services for low-income neighbourhoods, micro-lending, and support for co-operatives, non-profit organizations, and specialized community loan funds. It facilitates the development of small businesses and entrepreneurs through self-assessments, technical assistance, and mentorships, and has supported five inner city co-operatives that now employ 90 workers.

SEED Winnipeg is a community-based non-profit organization that has helped organize a number of new worker co-ops over the last five years, particularly with youth and new immigrants. SEED recently received the national merit award from the Canadian Workers Co-operative Federation for their work in the co-operative sector.

Planners, Educators and Foundations: A number of institutions have undertaken research, policy development, advocacy and planning initiatives that have been influential in the development of social policy.

The Social Planning Council of Winnipeg (SPCW) provides leadership in social planning and social policy changes. SPCW identifies social planning issues, needs, capacities and resources needed in the community; develops policy and program options; raises community awareness of social issues, social policy options and service delivery alternatives; and facilitates communication and collaboration with government, business, labour, the voluntary sector and grassroots communities. SPCW also provides research and policy analysis on poverty and other social issues in publications such as *Poverty Barometer* and the *Manitoba Child and Family Poverty Report Card*. SPCW has been instrumental in supporting the

formation of services and groups such as the Age and Opportunity Centre, The Citizenship Council, The Main Street Project, the Indian Métis Friendship Centre, and the John Howard and Elizabeth Fry Societies, among others.

The Winnipeg Foundation is funding a five-year initiative to build a collaborative network to help one of Winnipeg's most challenged areas – Centennial neighbourhood (Winnipeg Foundation, 2008). The Centennial Neighbourhood Project works with local residents and community organizations to: encourage coordinated interventions that will significantly upgrade the rating of an inner city school to improve student prospects; support local residents and community service agencies to influence the quality of life in Centennial Neighbourhood; and to identify the most promising practices that might be extended to other inner city neighbourhoods. The United Way of Winnipeg is also committed to community-building in the city, and it is active in addressing social issues, economic development, neighbourhood improvement and community capacity-building.

Manitoba's academic institutions have also been actively involved in social development. Located in Winnipeg's inner city, the University of Winnipeg has become increasingly focused on the state of the core area and takes seriously its responsibility to its neighbours and the community at large. The University believes that poverty can best be alleviated through education. To support this principle, the University, with funding support from governments, has opened the Wii Chiiwaahanah Learning Centre to provide inner city children, youth and families with access to free computer training and academic tutoring. The University's Education Department has introduced mentorship programs for inner city youth and the University's Global Welcome Centre provides social, emotional and educational support for refugee and immigrant youth. In addition, the University's Opportunity Fund has generated \$1.6 million in current and endowed gifts for bursaries to help non-traditional students such as Aboriginal people, refugees and people living in low income to attend university.

The Department of Family Social Sciences at the University of Manitoba offers an Inner City Families and Communities program. Research projects through the department examine social and community development, housing policy, homelessness, and street-involved youth. Several programs have been designed to make education more accessible to those who, because of social, economic and cultural circumstances, have not had the opportunity to pursue such experience.

The collective work of these organizations and institutions, and the best practices they introduce, help develop the knowledge base and ideas that lead to anti-poverty initiatives and policy development. These institutions give shape and direction to the concept and processes of social development and they help define, plan, publicize and implement a social development agenda.

Models of Political Co-operation: The role of organizations and institutions is not always effective unless government provides a policy and program framework as well as funding support to implement the suggested initiatives. Manitoba's governments, both provincial and municipal, have generally been supportive of social policy and they have been active in working with the federal government through multi-level initiatives to address poverty and other social development issues. With its long and successful history in multi-level governance initiatives, Manitoba and its cities – principally Winnipeg –

have been recognized as leaders in Canada in the development and implementation of successful tripartite agreements. Over the last 25 years, there have been four tripartite inner city revitalization agreements in Winnipeg: two Winnipeg Core Area Initiatives (1981-1991), the Winnipeg Development Agreement (1996-2001), and currently, the Canada-Manitoba-Winnipeg Agreement for Community and Economic Development (2004-2009). These initiatives have provided much-needed revenue and administrative coordination that has maintained and strengthened the human and material resources in Winnipeg's core area. They have had a significant impact on the inner city and on populations at risk of poverty by providing funding for education, training, housing and community infrastructure.

These initiatives have contributed much more than simply "bricks and mortar." For example, the most recent tripartite Agreement will fund four strategic programs: Aboriginal Participation, to enhance opportunities for Aboriginal people; Building Sustainable Neighbourhoods, to support neighbourhood renewal and capacity building; Downtown Renewal, to revitalize Winnipeg's downtown core; and Supporting Innovation and Technology, to build a knowledge-based economy and improve Winnipeg's economic competitiveness. Through the development of policy and program initiatives, the involvement of all levels of government, community and the private sector in planning, and the associated evaluation and monitoring of initiatives, these initiatives have improved the quality of life in neighbourhoods and helped develop neighbourhood capacity, thus contributing to social development policy.

Political Philosophy: A policy and program framework and the necessary funding to support social development that addresses poverty alleviation happens best in a supportive political atmosphere. Those who work in social policy and social development in Manitoba feel that, for many decades, there has been a political philosophy in the province that has engendered support for social policy development and initiatives to address poverty. This philosophy dates back to the advocacy and political activities of people like J.S. Woodsworth, who was a pioneer in the Canadian social democratic movement and the first leader of the Cooperative Commonwealth Federation (CCF) which later became the New Democratic Party. Living in the North End of Winnipeg, he saw first-hand the appalling circumstances of marginalized populations in the area and throughout his political career, he became a tireless advocate for a more egalitarian and compassionate state (MacInnis, 1953). His philosophy on social policy and development was reflected in the activities of many other political and community leaders who followed in the province's history, including many of Winnipeg's mayors, premiers and members of the provincial legislature, and politicians who made their way to Ottawa. It also extended to community activists such as Sister MacNamara, who founded Rossbrook House for inner city youth and was instrumental in the development of the Core Area Initiative. There are many other examples of people who carried the torch for social development and poverty alleviation in Winnipeg, too many to mention, and they transcended political affiliations, race, gender and wealth. Without them, the Province of Manitoba would be a much less desirable place to live.

ANTI-POVERTY POLICY AND PROGRAMS: MANITOBA EXAMPLES

The collective influence of organizations, planners, educators, government models, and political philosophies have helped shape social development policy in Manitoba. The success of these forces in influencing and shaping social development and poverty alleviation efforts in the province lies in the effectiveness of the various programs and initiatives – the tools of policy – that are introduced. As in other sections of this report, select examples of the tools of policy are discussed, due to space restrictions.

Manitoba – Provincial Governments

Stuart S. Garson (Liberal-Progressive)

1943-1948

Douglas L. Campbell (Liberal-Progressive)

1948-1958

Dufferin Roblin (Progressive Conservative)

1958-1967

Walter Weir (Progressive Conservative)

1967-1969

Edward Schreyer (NDP)

1969-1977

Sterling Lyon (Progressive Conservative)

1977-1981

Howard Pawley (NDP)

1981-1988

Gary Filmon (Progressive Conservative)

1988-1999

Gary Doer (NDP)

1999-

Initiatives over the last 30 to 40 years to address poverty in the province reflect a variety of policy approaches. In terms of the policy objectives, poverty reduction strategies have been aimed at a variety of issues: income security; Aboriginal issues; health; physical regeneration; economic development; providing affordable housing; food security; and other goals. These strategies have often been designed to target a defined geographic area – place-based initiatives – or concentrate on a particular population group – people-based strategies. For example, Neighbourhoods Alive! is a provincial place-based initiative focusing on declining inner city areas in Winnipeg, Thompson, Brandon, and Portage, and it delivers a number of programs that directly or indirectly address poverty reduction. Because the initiative is place-based, however, there is no attempt to adhere to the principle of “horizontal equity.” The people-based programs are characterized by income security and health initiatives, certain housing programs, daycare subsidies, and many other programs and policy initiatives. Many of these programs have a far greater level of “horizontal equity and people of different ages, from different types of households and levels of income may be eligible; the programs are not tied to any geographic location.

Below, place-based and people-based initiatives that are designed to directly or indirectly alleviate poverty are profiled, with examples drawn from a number of areas including: neighbourhood revitalization; income security; health care; education; child care; housing; and community economic development.

Place-based Approaches

There have been major place-based initiatives introduced over the last five decades in Winnipeg to arrest the urban decline and encourage inner city revitalization. Examples include The Neighbourhood Improvement Program, The Core Area Initiative, and Neighbourhoods Alive! Although these initiatives do not have poverty alleviation as a specific objective, by focussing on social and economic revitalization policies targeted at inner city areas, they contribute to anti-poverty efforts.

The Neighbourhood Improvement Program provided funds to improve existing housing, build new housing, upgrade or provide new community facilities, and provide services and training for marginalized groups. The program also provided support for community capacity building. The Core Area Initiative was designed to improve the economic, social and physical conditions in Winnipeg's core area. It focused on a 10 square mile area of Winnipeg's inner city which contained nearly 100,000 people, the Central Business District, and 16 older residential neighbourhoods. Over 30 individual programs and 1,000 different projects were delivered under the initiative, ranging from skill development to home repairs. The initiative succeeded in strengthening the community's involvement and promoting community-based decision-making through community development corporations.

Neighbourhoods Alive! also focuses on declining inner city areas in Winnipeg, Thompson, Brandon, and Portage. Designed to aid neighbourhood organizations in revitalization efforts specific to their community's needs, the initiative delivers a number of programs that are directly or indirectly aimed at poverty reduction. Neighbourhood Renewal Corporations include leadership by local residents to help coordinate efforts for housing and neighbourhood improvement, employment and training, education and recreation, safety, and crime prevention. The intent is to rebuild the community by allowing it to play as large a role as possible in its own renewal. Funding comes from both the province and the municipality, which also provide planning assistance. The expanded community involvement results in more effective policy and program outcomes and better links with other initiatives for community renewal and poverty alleviation. The strength of this kind of community-based approach is illustrated by the fact that approximately 3,000 housing units have been built or renovated under the Core Area Initiative and the more recent Neighbourhoods Alive programs.

There are also many examples of smaller programs operating within these broader initiatives or as stand-alone programs that have strengthened poverty alleviation efforts in the province. For example, the Manitoba Youth Builders Program has been operating in three communities – two inner city Winnipeg neighbourhoods and Thompson – to combine vocational and academic training to help young people get through high school. This is particularly useful for those who do not fit into or are disengaged with the regular education system, and many gang members and at-risk youth have joined the program. They have received training in areas like construction, work on community improvements, home repairs, and housing initiatives, and as a result, they have played a role in changing the face of their community. The young people experience a real sense of ownership and pride in knowing that they are able to give back to their community in a unique way and they are able to see improvements from their efforts.

The Community Financial Services Centre provides an alternative to banking institutions in the North End and inner city neighbourhoods. A pilot project of the North End Community Renewal Corporation, this initiative responds to the economic needs of low-income families who traditionally cannot access mainstream banking services and as a result, must rely on pawnshops or over-priced financial services offered by payday lenders. The Centre provides short-term microloans of \$20 to \$100 at interest rates of 3% to 5% – well below the 60% maximum annual rate set in the *Criminal Code* and with none of the service fees charged by payday lenders. To become clients, applicants must agree to financial counselling.

People-based Approaches

Government programs such as income security, certain housing programs, daycare subsidies, and many other program and policy initiatives focus on the population generally, rather than focus on a specific geographic location; as a result, people-based approaches tend to have a far greater degree of “horizontal equity.” These kinds of initiatives are usually targeted to a particular population group, based on characteristics such as income level, age, gender, family status or other criteria. Greater horizontal equity is critical for preventing social polarization and spatial segregation in urban areas. Examples of this kind of approach are discussed below.

Income Security: Income security programs like social assistance are designed to support those who have no other visible means of support by providing a housing supplement and other basic necessities such as food, clothing, and transportation. Social assistance benefits are not designed to make people rich, but rather to provide a basic but acceptable standard of living. In 2007-08, Manitoba had an average of 56,800 people on social assistance each month, the lowest number in 20 years. Almost 10,000 fewer people accessed social assistance in 2007-08 than was the case in 1999 (Province of Manitoba, 2007). Lower unemployment rates and higher labour force participation rates have certainly been factors in this reduction. Changes in eligibility requirements, particularly for youth, have also played a role.

The characteristics of people on welfare illustrate the depth of poverty and the degree of marginalization they face (Carter et al., 2007). In constant 2005 dollars, social assistance benefits have been steadily declining since 1992 (see Figure 6). For a single employable person, their benefits have dropped from \$9,036 to \$5,818 – for a 36% decline in purchasing power. Other household types have also experienced similar declines. Welfare incomes as a percentage of the poverty line (as measured by the Low Income Cut-off⁵) have been declining almost constantly since the early 1990s (see Figure 7). For example, in 2005, the gap varied from 28% of the poverty line for single employable persons, to 53% for a couple with two children; for a disabled person and for single-parent families, the gap between their welfare benefits and the poverty line was more than \$12,000, it was almost \$15,000 for single employable persons, and for a couple with two children, more than \$18,000. Welfare incomes ranged from 21% to 34% of the average income for each household type. As illustrated in the figures below, it is

the single employable persons and those with a disability that suffer the most under the welfare system in Manitoba.

Because increases in social assistance rates have not kept pace with the cost of living, the program has not contributed to poverty alleviation in Manitoba. Instead, it provides little real help in getting recipients back into the workforce and provides those who cannot work with an inadequate income. The data below illustrate the degree of poverty and marginalization faced by people who depend on welfare.

Figure 6

Welfare statistics by household type, Manitoba, 2005

	Single Employable	Person with Disability	Single Parent, One Child	Couple, Two Children
Welfare Income* (\$)	5,818	8,601	13,282	20,357
Estimated Average Income (\$)	28,207	28,207	38,938	80,534
Welfare as % of Average (%)	21	30	34	25
Estimated Median Income (\$)	22,382	22,382	31,230	79,116
Welfare as % of Median	26	38	43	26
Peak Year	1992	1992	1992	1992
Peak Amount (\$)	9,036	11,416	15,630	25,912
2005 Amount (\$)	5,818	8,601	13,282	20,357
Change between Peak Year and 2005:				
Dollar Amount (\$)	-3,218	-2,815	-2,348	-5,555
% change to 2005	-35.6	-24.7	-15	-21.4
Poverty Line (\$)	20,778	20,778	25,867	38,610
Poverty Gap (\$)	-14,960	-12,177	-12,585	-18,253
Welfare Income as % of Poverty Line (%)	28	41	51	53

Note: * Includes the federal GST credit
 Source: National Council of Welfare, 2006.

Figure 7

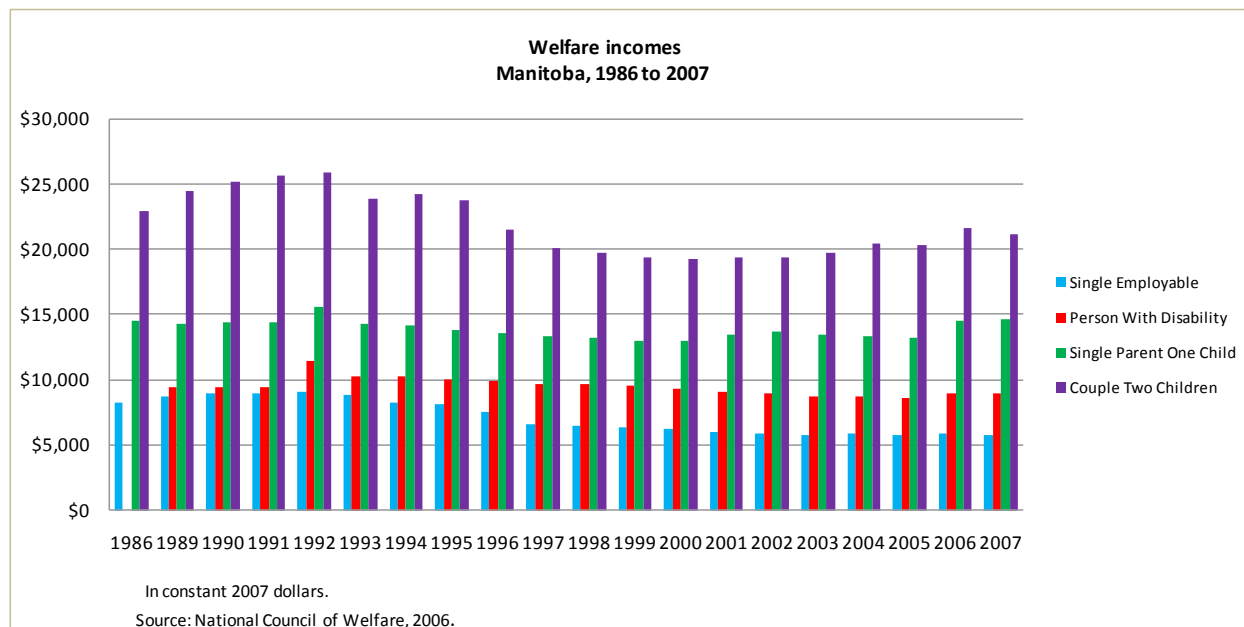


Figure 8

Welfare incomes as a percentage of the poverty line, Manitoba

	Single employable person	Person with disability	Single Parent, one child	Couple, two children
1986	43	-	56	60
1989	40	43	50	60
1990	46	49	54	65
1991	46	49	55	67
1992	43	55	60	67
1993	43	50	55	62
1994	40	49	55	63
1995	39	48	54	61
1996	36	48	53	56
1997	32	47	52	52
1998	31	46	51	51
1999	31	46	50	50
2000	30	45	50	50
2001	29	44	52	50
2002	29	43	53	50
2003	28	42	52	51
2004	28	42	52	53
2005	28	41	51	53
2006	27	42	54	54
2007	27	42	54	53
% Change, peak to 2005	-39	-25	-15	-21

Source: National Council of Welfare, 2006b

Asset Building Programs: Other examples of using a people-based approach are programs offered by Seed Winnipeg, a non-profit organization operating in the inner city. Its Individual Development Account (IDA) Program and Saving Circle Program offer low-income Winnipeggers “matched savings” programs that combine money management training, one-on-one financial counselling, and peer support. Participants in IDA programs save for designated assets such as home ownership, renovations, business capitalization, and education. Under the Saving Circle Program, participants save for assets that will improve the quality of their lives, ranging from things like furniture to disability supports or medical supplies. There is no personal income tax on individual asset programs.

The Urban Circle Training Centre Inc.: This community based, non-profit organization provides employment and pre-employment training for Aboriginal women and men. Funding comes from Manitoba Advanced Education and Training, the provincial government’s Neighbourhoods Alive Program, the Centre for Aboriginal Human Resource Development, the Manitoba Métis Federation, and from a number of First Nations bands and tribal councils. The programs offered include adult basic education in English, mathematics, basic computer skills, and life skills. Adult education to complete

Grade 12 is also available, and participants can receive training to be work as health care aides, teaching assistants, and family support workers.

Health Benefits, Housing and Settlement Services: Manitoba Health provides financial support and services for all Manitobans to promote the healthy development and well-being of children and families, as well as enhanced services for low-income households and people with disabilities. Although the cost of most services comes from the public purse through taxes, publicly funded health care services represent an important poverty alleviation initiative for the poor.

Family Services and Housing provides affordable housing for individuals and families based on a rent-to-income formula set at 27% of gross or before-tax income. Low-income households that are able to access social housing can save significant amounts of income that can then be spent on other needed goods and services.

There are also a number of provincial tax credits or deductions that benefit Manitoba households. These include, but are not limited to: an age credit for those 65 years and older (\$3,728); a disability credit for oneself (\$6,180) or a dependent (\$3,605); caregiver (\$3,605); child care (for children under 7, \$7,000 and for children aged 7 to 16, \$4,000); as well as text book credits, deductions for medical expenses or tuition, and charitable donations. There is also an Education Property Tax Credit and a Children's Fitness Tax Credit (Province of Manitoba, 2008b). The provincial government has also recently implemented personal income tax reductions, and while these reductions may leave more money in the pockets of middle- and upper-income households, they do little to help the poor. These tax reductions may be a sign that the current provincial government has moved to a middle or middle-right agenda.

Settlement service agencies deliver more than 40 programs to support the integration of immigrants and refugees in Manitoba. With money from both the provincial and federal governments and the help of a large cadre of volunteers, these agencies help newcomers adjust to their new lives in the province. The agencies include the International Centre of Winnipeg, Jewish Child and Family Services, Accueil Francophone, and Welcome Place, among others. There are also several settlement agencies outside of Winnipeg that provide services and supports ranging from language training to help finding housing or employment, assistance in accessing educational and health care services, and assistance with living costs during the first few months after arrival.

Other Provincial Initiatives: There are other provincial initiatives, both people- and place-based approaches, which also deserve recognition, particularly those that have a strong focus on children and families.

When the National Child Benefit Supplement (NCBS) was first introduced by the federal government in July 1998, Manitoba, like most provinces, adjusted its income assistance benefits and redirected the funds into other programs and services for low-income families. Families were guaranteed that their total income assistance would remain at least as high as it was before the NCBS was introduced, but most households did not receive an increase in their level of assistance.

Increases to household incomes that would have resulted from the supplement were clawed back by the province through reductions in the social assistance benefits, supposedly to fund other programs. However, between 2000 and 2004, Manitoba phased out all claw backs, first by allowing annual increases in the NCBS to flow through to households, then the benefits to children under six, followed by children seven to 11, and then the benefits for those aged 12 to 17. By completely eliminating the claw backs, \$14 million is put back into the pockets of low-income people each year (Province of Manitoba, 2008a).

Under the Rewarding Work Program, a four-year initiative introduced in 2007, families with low incomes and particularly those on social assistance can receive help to improve their employment skills, incentives to find employment or increase their hours of work, and they are able to keep more of their employment income before social assistance benefits are clawed back. In its 2007 Budget, the province also implemented a 23% increase in rates for foster parents, spread out over a 14-month period; increased support was also provided to children aging out of the child welfare system, including a mentorship program and support for youth to complete high school (Province of Manitoba, 2007).

Other improvements that help alleviate child poverty include: increased earnings exemptions for single parents and couples with children that allow the families to keep more of the money earned through employment without having their assistance benefits reduced; increased annual school supply allowances; and an extension of training supports from one to two years for single parents with children under six. Income assistance clients are also permitted to keep their GST refund cheques, any Provincial Tax Credits, and personal income tax returns without deduction from their monthly benefits.

Working with other governments and community organizations, the province introduced the Healthy Child Manitoba Strategy in 2000, and the strategy became law in December 2007 with the proclamation of the *Healthy Child Manitoba Act*. The Healthy Child Committee of Cabinet – one of the few such cabinet committees worldwide – is dedicated to the well-being of children and youth. Initiatives to support this legislation include: improved training for early childhood educators; prenatal benefits of up to \$80 per month to assist low-income women with their nutritional needs during pregnancy; the Family First Program, a community-based home visiting program covering the prenatal period to the start of kindergarten; a Positive Parenting Program providing parental supports and information; and the Northern Healthy Foods Initiative to improve awareness of and access to nutritious foods for families living in Northern Manitoba. An additional 6,500 child care spaces have also been funded under the Initiative and the Children's Special Services Program provides additional support to families that are caring for children with disabilities (Province of Manitoba, 2008b). Manitoba spends more per child care space than any other province in Canada except Québec, and Manitoba and Québec are the only provinces that limit fees. In 2007, Manitoba reduced the non-subsidized portion of the daily fee that is paid by all subsidized parents from \$2.40 to \$2.00 per day.

These are only a few of the initiatives that have been introduced in Manitoba in recent years. Many of these programs are not unique to the province, but they are part of a significant number and range of initiatives that work to alleviate poverty, particularly for groups such as lone parents. Many of these

programs and services – from asset building, to affordable housing, to language training – do not necessarily put money in people’s pockets. They can, however, save families a great deal of money (through social housing, for example), provide people with employment skills to help improve their incomes, or provide the supports, safe environment and improved quality of life that can help facilitate income potential. As a result, they have to be considered as poverty alleviation approaches. Municipalities have also been supportive of poverty alleviation, particularly through spending on local recreational and community services, public transit and support for community-based organizations.

MUCH HAS BEEN DONE, MUCH MORE TO DO: CONCLUDING REMARKS

Is there a distinctive model of social development and poverty alleviation in Manitoba? Although it may not be unique, Manitoba has certainly emphasized a community development approach and, where possible, the involvement of community-based organizations. This has been a theme of social policy and program development since the early 1970s, as illustrated by initiatives such as the Neighbourhood Improvement Program, the Core Area Initiative, Neighbourhoods Alive and the Winnipeg Development Agreement. The community development model is used for almost everything that is undertaken in the areas of social development and poverty alleviation in the major urban centres, and even in some of the smaller communities. The provincial and municipal governments provide core funding for community-based organizations. What Manitoba does do well is build social capital and social infrastructure at the community level and it places a great deal of emphasis on local governance. A strong community framework is in place to deliver effective poverty alleviation solutions.

Many approaches in the province have also been characterized by strong tri-partite partnerships, with all three levels of government participating in the planning, development and funding of these initiatives. More recently, the Aboriginal community has become an active partner in social development initiatives, and the number of Aboriginal organizations that are active in social development and poverty alleviation certainly ranks near the top among provinces in Canada. The focus on child development and support, including pre-natal support, has also been strong in Manitoba and has made a difference for single mothers with children.

This report highlights some promising practices in social development and poverty alleviation in Manitoba. Data indicators also illustrate that there has been progress in reducing the incidence of poverty. However, 19% of children in Manitoba still live below the before-tax poverty line – approximately the same proportion as 10 years ago; the after-tax child poverty rate is 12%, again very similar to the rate of 10 years earlier. It is important to note that these data do not include children living in First Nations communities; if those statistics were included, the child poverty rates might be significantly higher. It is clear that many individuals and families are in deep poverty and many remain there for long periods of time. While progress has been modest, many families in the province would have a hard time recognizing that progress.

Why has there been so little progress, despite the innovations and promising practices that exist in the province? Essentially, these innovative approaches and promising practices are too small and there is too little funding. For every person helped, there are many more that do not benefit because of funding limitations – there is simply not enough investment in poverty alleviation and social development. Despite the many examples of innovation and the development of strategic partnerships, there have not been sufficient investments over a long period of time. Manitoba has the tools to alleviate poverty and it has good examples of social policy development but they must be adequately funded. In Manitoba, the momentum, innovation, integration, partnerships and leadership are there; sustainable core funding is not.

To have an effective poverty alleviation strategy, the public policy components must include, at minimum, affordable housing, literacy and education, training and employment, child care, and an effective income security program (Torjman, 2008). For example, affordable housing is a key component of social infrastructure that is necessary to support a poverty alleviation strategy. Housing is generally the largest expense that low-income households have and accessing affordable housing is one of the greatest barriers they face. And without access to affordable and stable housing, vulnerable households have difficulty accessing other key aspects of a poverty alleviation strategy – education, skills training, better health care, and stable employment. Despite the importance of housing, however, it is one of the weak links in poverty alleviation because of the lack of funding from governments. Manitoba has initiatives in all of these key policy areas, but there is no overall strategy to integrate the various components. To be effective, solutions have to be multi-sectoral, coordinated, and in place over a long period of time.

Looking forward, there are a number of critical issues that may well have a significant impact on poverty in the future. These include, but are not restricted to: rising energy costs; increasing costs for housing; rising food prices and the resulting food insecurity; the plight of new immigrants and refugees and the rapidly growing Aboriginal population; the implications of an aging population; and the possibility of funding cutbacks if the provincial economy sinks into a recession.

So what does the future hold? Liberal members of the Provincial Legislature recently introduced Bill 226 – *The Social Inclusion and Anti-poverty Act*. The Bill proposed a poverty reduction strategy similar to provincial strategies now in place in Québec and Newfoundland. And although the bill generated some interesting debate, it was “talked out” by the NDP Government and is unlikely to be supported in the future. At this point in time, there is no integrated strategy that would “make poverty history” in Manitoba, and without a stronger, multi-sectoral approach that addresses weak links in the key policy sectors, we may be facing similar child poverty rates 10 years from now.

When it comes to poverty alleviation in Manitoba, much has been done but much more remains to do.

ENDNOTES

¹ There is a concern that the small sample size in Manitoba casts some doubt on the reliability of labour force, poverty and income statistics.

² These data are based on the 2006 Census of Canada.

³ In the Census, after-tax poverty levels using 2005 income data are only available for these variables. Any historical comparisons have to be based on before-tax poverty rates using before-tax LICO thresholds.

⁴ These data are based on Statistics Canada's 2006 Survey of Labour and Income Dynamics.

⁵ Based on before-tax LICOs.

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