



**Canadian Council on Social Development
Conseil canadien de développement social**

**Presentation to Senate Committee on Social Affairs, Science
and Technology**

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Introduction

- We welcome this opportunity to address the Senate Committee on Social Affairs on the role of governments in reducing poverty, notably in Canada's large urban areas.
- The Canadian Council on Social Development (CCSD) is an independent, national, non-profit organization led by a volunteer board of directors from across Canada.
- We are primarily a research and public education organization of close to 1,000 members, focusing broadly on issues of social and economic security.
- Since our founding in 1920, we have been engaged in key policy debates of the day, notably around issues of poverty and economic security.
- As a partner of Campaign 2000, the CCSD has worked with the coalition to draw attention to the continuing plight of the large numbers of children living in poverty in Canada.
- Professor Frankel has spoken about the scope of the problem across the country and some of Campaign 2000's policy prescriptions. I would like to draw on recent

research at the CCSD looking at urban poverty and to talk about poverty reduction within an urban context.

Overview (Lost Decade: Urban Poverty in Canada, 1990 to 2000)

- As new data from Statistic Canada revealed last week, many Canadians continue to struggle on low incomes, on the margins of the economic prosperity that others have enjoyed over the past several years.
- Nowhere are the consequences of poverty felt more keenly than in Canadian cities. Today, polarized job opportunities, low wages, and unaffordable and inadequate housing in large cities create a fundamental challenge to the quality of life of Canadians.
- And it is children and youth living in large cities that are especially vulnerable to poverty and its life altering consequences.

Children and Poverty within the 46 Selected CSDs

- Of the 2.5 million Canadian children under 15 years of age living in the 46 largest selected cities, 584,040 were living in low income.
- Overall this group had an aggregate city poverty rate of 23.2% compared with 19.4% for all ages.
- With respect to their distribution in the population, children under 15 years accounted for 18.4% of the total population in all 46 CSDs and 22% of all those who were poor in those CSDs.
- Among individual CSDs, Child poverty rates ranged from a high of 41.7% in Montreal to a low of 8% in Vaughan and varied widely across the country. In general, the lowest child poverty rates were found primarily in cities in Ontario.
- We find an overall tendency for cities ranking high on poverty rates in general to also have high rates of child poverty.
- In some cities, however, some have decidedly more favourable 'rankings' with respect to child poverty than general poverty and these cities were all located in the province of Quebec.
- In contrast, other cities exhibited less favourable rankings for child poverty than they did for general poverty. Overall, 20 of the 46 cities had child poverty rates that were four percentage points or more above their general rate of poverty and four of these had a percentage point spread that was more than 7 percentage points:

- Saint John (10 percentage point difference)
- Montreal (7.7 percentage point difference)
- Toronto (7.2 percentage point difference)
- Longueuil (7.2 percentage point difference)

Youth and Poverty within the 46 Selected CSDs

Youth, aged 15 to 24 years, had one of the highest poverty rates (compared to the other age groups) in 2000 at 24.6% (selected city average).

Of the almost 1.9 million youth living in large cities, 463,570 were living in poverty.

Youth were over-represented among the poor population in cities. While they made up 13.8% of the aggregate city population (aggregate of 46 CSDs), they accounted for 17.4% of all the poor.

In almost all cities, youth were over-represented among the poor. In Victoria, Saskatoon, Kingston, and Saanich one in every four poor persons was a youth.

The poverty rates for youth varied from a high of 44.8% in Victoria to a low of 8.1% in Vaughan.

In contrast, some cities stood out as having much less favourable rankings for youth poverty than for general poverty; for example, Saanich; Halifax; Kingston; Saskatoon; and Victoria.

Policy Prescriptions

- Large cities are both a source of social stress and social innovation. The problem remains as to how to take advantage of the opportunities that cities afford and to mitigate the negative consequences linked to growing inequality in our urban areas.
- This challenge has been taken up in Great Britain and the United States. In 1998, the British government launched the “New Deal for Communities” aimed at England’s most distressed communities, following up in 2001 with the “Neighbourhood Renewal Strategy” to help narrow the socio-economic gap between the most deprived neighbourhoods and the rest of England.
- In the United States, the government has invested billions of dollars through a range of initiatives, including the Community Empowerment Fund, Empowerment Zones, the Enterprise Community Initiative and Community Development Block Grants – all

of which are designed to nurture business, investment and job creation and (or) provide for community facilities and services (such as housing) in distressed communities.^{1,2}

- The experience in these countries reveals that there are no common paths forward. The situation in each urban area – indeed in all communities – is unique. While there are common factors that are useful in understanding the dynamics of poverty across communities, the impact of these factors tends to vary widely from city to city.
- We do know, however, that various strategies are needed to address the challenges of poverty.
- We also know that the issues related to urban poverty – such as income, housing, employment, education, social networks and transportation – are interdependent, demanding an integrated approach to be successful.
- Canada needs both **universal** or general policies that target all individuals as well as strategies that are **spatially focused or targeted**.
- Séguin and Divay make the point that “aspatial” policies are critical urban poverty tools; policy interventions by the federal and provincial governments in key areas such as health, education and income security have important territorial effects, especially in high poverty areas, since they provide low income residents with high quality public services wherever they live.
- At the same time, “targeted” initiatives are important to reinforce the positive impact of universal policies as well as to create the vehicles and institutional structures through which local stakeholders from diverse backgrounds can be engaged and leadership fostered. Local partnerships are best positioned to identify the unique dimensions of local challenges and potential solutions.^{3,4}
- Canadian research confirms that the economic status of neighbourhoods – or even larger geographic areas – can change in a relatively short space of time.

¹ Pomeroy, Steve. *Rethinking Neighbourhood Renewal: Review of the US Experience and Possible Lessons for Canada*. Ottawa: Action for Neighbourhood Change, Caledon Institute of Social Policy, February 2006.

² MacLennan, Duncan. *Remaking Neighbourhood Renewal: Towards Creative Neighbourhood Renewal Policies for Britain*. Ottawa: Action for Neighbourhood Change, Caledon Institute of Social Policy, February 2006.

³ Séguin, Anne-Marie, and Gérard Divay. *Urban Poverty: Fostering Sustainable and Supportive Communities*. Ottawa: Canadian Policy Research Networks, 2002.

⁴ Vibrant Communities is one example of a Canadian poverty reduction initiative that embodies this approach. Vibrant Communities groups work to identify local poverty strategies, based on the principles of multi-sector collaboration, community assets and shared learning. For more information, visit the website at <http://tamarackcommunity.ca/g2s1.html>.

- Although the overall number of “moderate” to “very high” poverty neighbourhoods has grown since 1980, notably in the largest urban areas, such disadvantage is not always a permanent state.
- Like individuals, communities can and do move in and out of disadvantage. Some urban areas have been relatively successful in stemming the rise in poverty, whereas others continue to face significant challenges.
- Recent research in the United States shows a stunning turnaround in the number of high poverty neighbourhoods between 1990 and 2000, following the exponential growth between 1970 and 1990. Economic growth in hand with government efforts is largely credited with reducing the concentration of urban poverty, although there are now concerns that the economic downturn after 2000 along with the weakening state of many older suburbs may yet threaten hard-won progress.⁵
- That being said, the concerted actions on the part of other governments to revitalize their communities, and evidence of their success, highlight the need to take action here in Canada to reduce inequality and poverty that continue to circumscribe the life chances of millions of people living in Canada’s large urban areas.

⁵ Jargowsky, Paul. *Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s*. Center on Urban and Metropolitan Policy. Washington: The Brookings Institute, May 2003. <http://www.brookings.edu/es/urban/publications/jargowskypoverty.pdf>

Summary: A Lost Decade

The pattern of disparity evident at the national level was playing out in Canada's large urban areas. We see this in the stubbornly high rates of poverty between 1980 and 2000 in many urban areas and large cities across Canada. Specifically, our analysis of urban poverty in the 1990s reveals the following:

- Poverty in Canada remained primarily an urban problem – a disproportionate number of poor lived in CMAs. In 2000, some 64.3% of the Canadian population lived in CMAs, whereas 69.7% of the poor population lived in these areas.
- The number of poor people living in CMAs grew at a faster rate than the total population in these large urban areas. Between 1990 and 2000, the number of poor residents grew by 19.1%, whereas the whole population in CMAs grew by 14.6%.
- While only one-quarter of poor urban residents live in areas outside of the large cities located in CMAs (the remainder of the CMAs), the rate of growth in the poor population between 1990 and 2000 was higher in these suburban areas attached to the large central cities than the rate of growth in the large cities (CSDs) themselves. Could we be seeing the beginning of the 'suburbanization of poverty' that has become quite pronounced in the United States?
- Strong economic growth in CMAs in the latter half of the 1990s helped reduce poverty after the increases in poverty associated with the recession of 1991-1992. However, the overall poverty rate did not reach a pre-recessionary level. The poverty rate among residents of CMAs increased from 16.9% in 1990 to 21.6% in 1995, falling back to 17.6% in 2000.
- Larger CMAs (with populations of 500,000 and over) experienced higher poverty rates and contained a larger proportion of the total poor population. These larger CMAs had an average poverty rate of 18.4% in 2000, as compared with 13.2% for medium-sized CMAs (with populations of 250,000 to just under 500,000) and 17.0% for the smaller CMAs (under 250,000).
- In medium-sized and large CMAs, there was an overall tendency for poverty rates to increase with population size – although this relationship was curvilinear in nature. For the smallest CMAs, size appeared to make little difference. There may be a certain 'size threshold' before the impact of size on poverty rates comes into play.
- While 'size' matters in some instances, place matters as well. Across Canada, the experience of urban poverty varied. Some large urban areas experienced a mid-decade spike in poverty after the 1991-92 recession, followed by a recovery that returned them to near pre-recessionary levels; they were treading water through the 1990s. Others lost ground and ended the decade with higher rates of poverty than at the beginning. Still others made progress, recording strong recoveries that achieved poverty rates lower than those at the beginning of the decade.

- Even within large urban areas, there was tremendous variation in poverty. For example, residents of central or core cities tended to have higher levels of poverty than residents of the urban, rural, and suburban fringe (i.e., remainder of the CMA). The aggregate poverty rate for these central city dwellers was 20.9% in 2000, as compared with 14.8% among those living in large suburban cities.
- The 1990s changed the historic relationship between large central or core cities and adjacent suburban cities in Toronto and Vancouver. In both cases, many of these neighbouring cities failed to recover by decade end and began to approach a poverty profile that was more similar to that of the historic core city. For example, in 1990, the poverty rate in Richmond and Coquitlam was 15.2% and 14.0%, respectively, compared to 24.8% in the city of Vancouver. By 2000, the poverty rate had increased to 23.9% in Richmond and in Coquitlam 21.4%. While Vancouver still had the highest rate of poverty in this urban region (at 27.0%), the gap narrowed considerably between Vancouver and several of the neighbouring communities.
- In Montréal, however, we find the historic core city of Montréal hovering in 44th place throughout the decade while the neighbouring, large suburban city of Laval improved its ranking by decade end from 20th to 17th – further magnifying the difference in poverty profiles of these two cities.

It will be important to continue tracking the patterns of urban poverty to see if the gains of the period from 1995 to 2000 are sustained over time.