

Trish Garner: Looking forward to more evidence-based policy on poverty reduction ^[1]

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EXCERPTS

For too long B.C. governments have hoped that economic growth and job creation would solve poverty. After almost a decade of calling for action to address the root causes of B.C.'s high poverty rates, it's good to see a government finally paying attention to the evidence. When the cost of poverty — \$8 billion to \$9 billion per year — is double that of a comprehensive poverty-reduction plan, it's smart policy to invest in eliminating and preventing poverty.

Data from the 2016 census shows us that B.C.'s poverty rate is 15.5 per cent, effectively unchanged since 2005 when it was 15.4 per cent. In contrast, poverty fell in a number of other provinces with the most dramatic reduction of almost five per cent in Newfoundland and Labrador, which has had a poverty-reduction strategy with targets and timelines since 2006. One of the contributing factors to their success is the policy decision to raise welfare rates for single parents above the poverty line.

Our new government has taken a step in the right direction with an increase to welfare rates of \$100 after the basic rate was frozen at \$610 per month for a decade. However, welfare rates remain vastly below what it costs to live in Vancouver. Even for a single-room occupancy (SRO) unit (like those at the recently closed Balmoral Hotel), the average rent is up to \$548 a month, according to the Carnegie Community Action Project's annual report. Looking at the reality of housing costs alone, it's clear that welfare rates need to be increased significantly, not incrementally.

Why not use the Market Basket Measure as a way to set this piece of the social safety net. Calculated by Statistics Canada, the measure represents a basic standard of living and is based on the actual cost of buying shelter (including utilities), a nutritious diet, clothing and footwear, transportation costs and other necessary goods and services. Currently, this ranges from \$1,460 to \$1,665 a month in B.C. for a single person and from \$2,920 to \$3,329 for a family of four, depending on the size of their community. Setting welfare rates below this remains a sentence of poverty and is very hard to bounce back from.

Other steps in the right direction that our new government has taken include:

- An increase of \$200 to the earnings exemption in all income-assistance categories;
- A 50-per cent reduction of MSP, with plans to eliminate this unfair tax entirely.
- Investment in 1,700 affordable rental units over four years and 2,000 modular units for the homeless, including supports;
- Launch of a new Ministry of Mental Health and Addictions, and funding to address the fentanyl crisis;
- New funding for K-12 (to fulfil the Supreme Court of Canada ruling earlier this year);
- The elimination of tuition fees for Adult Basic Education and English Language Learning; and
- Tuition waivers for foster youth aging out of care (although they have included the unnecessary criteria of an age limit of 26 and more than two years in care).

Unfortunately, the government has shifted in its commitment to a \$15 minimum wage by 2021 and the \$10-a-day child-care plan. These are critical gaps. Especially considering the census data reveals that B.C. has the second-highest poverty rate in Canada for working-age people (18-64 years) at almost 15 per cent. One of the factors driving our high poverty rate in this age range is the fact that our minimum wage of \$11.35 per hour leaves a worker living below the poverty line, providing strong evidence for immediately increasing the minimum wage to \$15 an hour.

Although not reflected in this set of census poverty data because it's solely based on an income measure, child care is clearly an extra burden on families. Here the research tells us that government investment in child care pays for itself as it increases economic productivity. In the face of this evidence the NDP and Greens should reach a deal in support of the \$10-a-day child-care plan, which includes free child care for those earning less than \$40,000 per year.

Let the government know what you think of the evidence and your experience by taking part in the open submissions to the Finance Committee coming to your local community soon. Consultations are underway and submissions close on Oct. 16:

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