

SUSTAINABILITY HIGHLIGHTS

A vibrant economy that provides sufficient income to meet basic needs is critical for the well-being of individuals and families. Inadequate household income is associated with physical and mental health problems, increased reliance on social assistance and charity, and lower levels of education. Those at the lowest end of the income scale may earn income or receive social supports that do not meet basic needs. These people and families might struggle to find affordable housing, might require the use of food banks, and may face living on the streets.

- The gap between the highest and lowest income earners has widened from 1995-2004, with 16% decreases to the lowest incomes.
- In 2001, BC had the largest proportion of working poor of any province in Canada-nearly twice the national rate¹.
- Food bank use in BC increased 16% from 2003-2004, with almost 8,000 more children needing emergency food; however, food bank use declined from 2004-2005.²

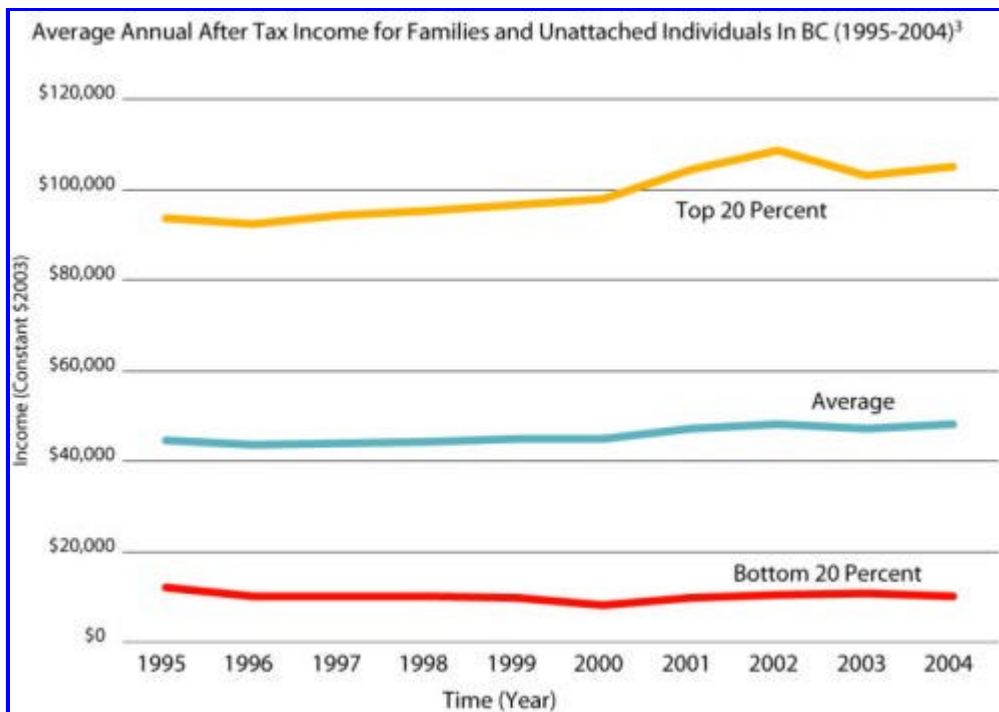
Productivity Growth	GETTING BETTER -Average after tax income has grown 8% from 1995-2004 and was 3rd highest in Canada in 2004.
Unemployment	POOR/GETTING WORSE - BC has the highest rates of Low Income Cut-Off (18.4%) and the least improvement in Canada.
Economic Diversity	FAIR/MIXED RESULTS - Best in the GVSS and Fraser Valley regions and worst in the Cariboo-Chilcotin region.

ISSUES AND TRENDS

Due to limited availability of current data, many of the indicators have been analyzed at the provincial level. Provincial data are more current (2004 or 2005) than data otherwise available specifically for the Fraser Basin (2001).

Real Average After-Tax Income of Families and Unattached Individuals (1995-2004) ³

Real average after-tax income of families and unattached individuals in BC has increased 8% between 1995 and 2004. In 2004, BC had the third highest average real income in Canada, with an average after-tax income of families and individuals of \$47,800.

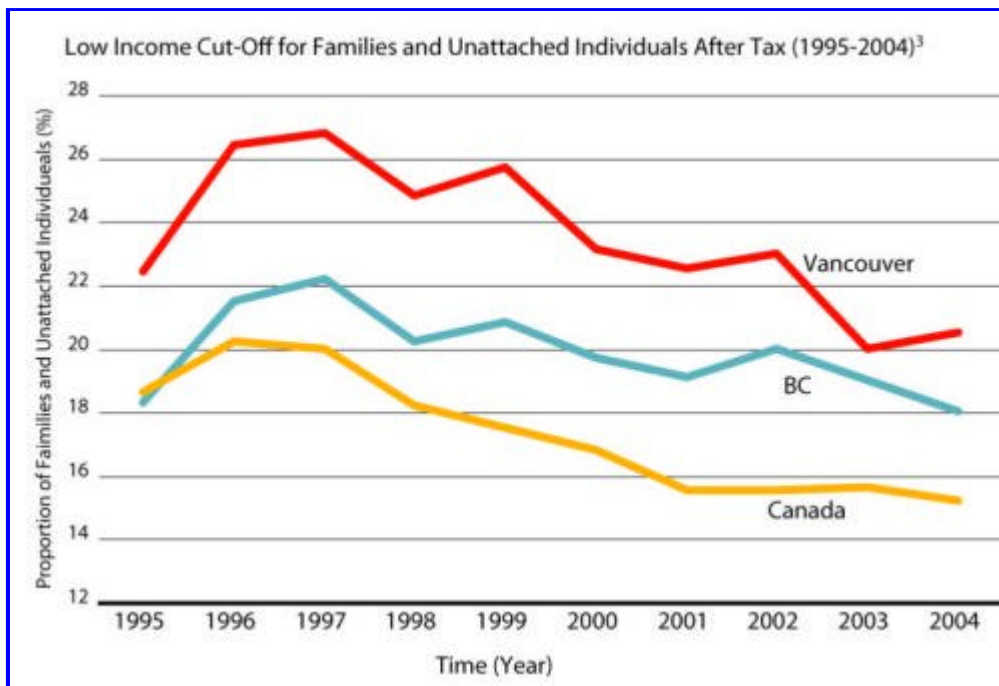


Income Inequality (1995 -2004) ³

Income inequality can be assessed by looking at the income gap - the difference in average income between the top 20% of the population and the bottom 20%. The income gap has widened (by \$13,200) between the lowest and highest income groups between 1995 and 2004. Families and individuals in the top 20% have gained the most, with incomes increasing 12%, while those in the lowest 20% have had their incomes decrease by 16%. In 2004, the top 20% of income earners had an average after-tax income of \$104,700 and the lowest 20% had \$9,800.

Proportion of Families and Unattached Individuals Living Below the Low Income Cut-Off (1996-2004) ^{3,4}

The Low Income Cut-Off (LICO) is a measure produced by Statistics Canada to determine income thresholds at which a family would typically spend 20% more of its income than the average family to meet basic needs (food, shelter and clothing). The following table includes some examples of LICO rates.

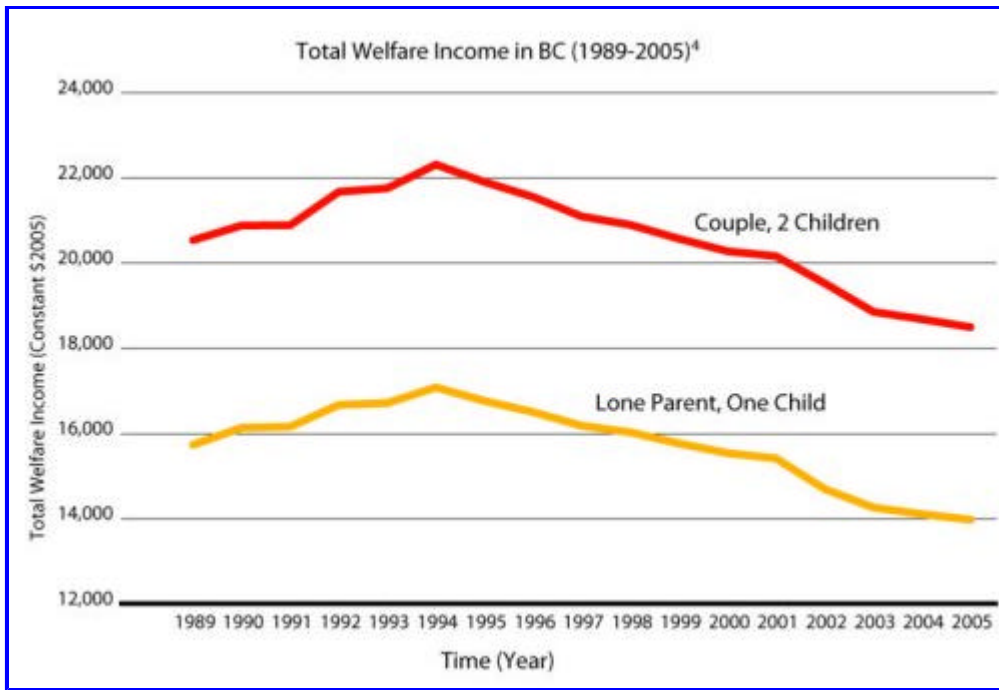


2004 Low Income Cut-Off (Constant \$1992) After Tax ³

Size of Family Unit	Rural areas	Population 30,000 to 99,999	Population 500,000 +
1 person	\$11,025	\$14,075	\$16,853
4 persons	\$20,844	\$26,613	\$31,865

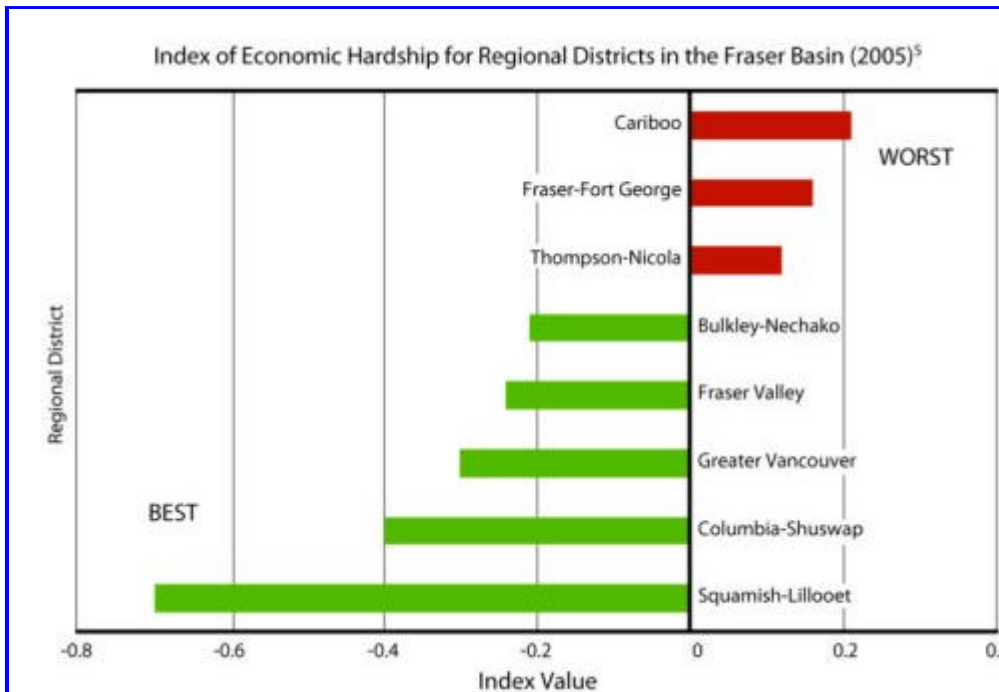
BC has the highest proportion of people living below the LICO of any Canadian province. In 2004, 18% of families and unattached individuals were below the after tax LICO, compared to the Canadian average of 15.2%. In Vancouver, the situation is even worse (20.5%). In BC low income rates have decreased by only 1.6% over a 10-year period, compared to decrease of 18.3% for Canada as a whole.

The National Council on Welfare released a study that reported social assistance rates in BC in 2005, adjusted for inflation, reached the lowest value since 1986. Welfare rates are not nearly sufficient to meet household needs. A couple with two children on social assistance receives income that is 48% of the LICO. A person on disability receives income that is only 51% of the LICO⁴. **(See Housing)**

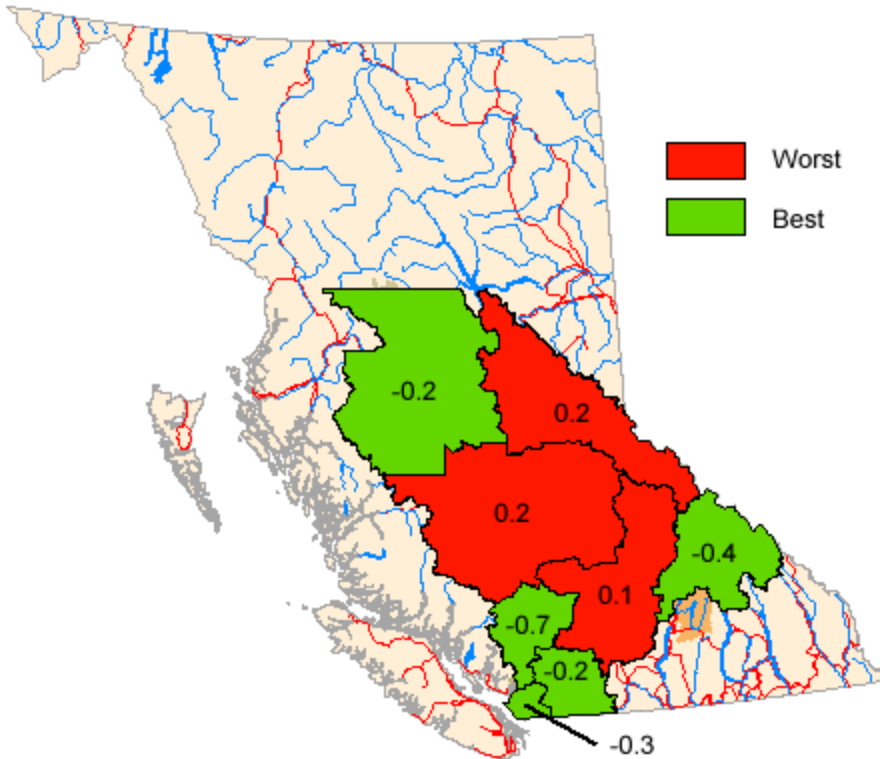


Economic Hardship (2005) ⁵

An index of economic hardship, produced by BC Statistics, considers a number of indicators, including the percentage of the population on income assistance, average household income and income inequality. The index shows varying states of economic hardship in the eight regional districts within the Fraser Basin. The Squamish-Lillooett region had relatively low rates of economic hardship, while the Cariboo, Thompson-Nicola, and Fraser Fort-George regional districts experienced high rates of economic hardship.



Index of Economic Hardship by Regional District



INSPIRED ACTION

What is being done?

→ The Economic Security Project (ESP) is working to analyze recent policy changes in BC and their effects on the economic well-being of vulnerable populations, and to present workable alternative solutions. It is a joint initiative between the Canadian Centre for Policy Alternatives and Simon Fraser University, which brings together 23 community organizations and four of BC's universities.

→ CommunityLink provides funding to school boards and other community programs and services that support at-risk children and youth.

→ The Vancouver Agreement is a partnership between the City of Vancouver, the BC government and the federal government to work together with communities and business in Vancouver to support sustainable economic, social and community development in an area considered to be the "poorest postal code in Canada".

What else can be done?

- Businesses can provide employees with a living wage.

- Governments and community organizations can support the provision of affordable housing, childcare, and other social services for low income people.

- Individuals can donate volunteer time, money, or food, to food banks or homeless shelters to help alleviate the impacts of poverty in the short-term.

- Governments can ensure that tax reform does not disproportionately burden low-income households.

REFERENCES

1. Human Resources and Development Canada. When Working Is Not Enough to Escape Poverty: An Analysis of Canada's Working Poor (2006).
2. Canadian Association of Food Banks. Hunger Count (2004, 2005).
3. Statistics Canada. Income Trends in Canada (1995-2004).
4. National Council on Welfare. Welfare Incomes (2005).
5. BC Statistics. Index of Economic Hardship (2005).

FOOTNOTES:

- i. The definition of poverty is based on the Market Basket Measure, which estimates the cost of basic goods (e.g., shelter, food and clothing) for each city in the country.