



POVERTY PROFILE 2007

POVERTY TRENDS BY PROVINCE, 1976-2007

Highlights

- Poverty trends are similar in most provinces, but rates vary widely.
- Provincial poverty rankings can change when different measures of poverty are used.
- Recent trends in British Columbia stand out.

Note that data is not available for the three territories.

After-tax low income cut-offs are used to measure poverty in this bulletin, unless otherwise noted. For details on methodology and data sources, see the *Methodology, Definitions and Information Sources* bulletin.

WIDE RANGE OF POVERTY RATES ACROSS PROVINCES IN 2007

The lowest poverty rate was found in Prince Edward Island (5%*) while the highest rate was in British Columbia (11.1%).

British Columbia, Quebec (10.7%) and Manitoba (9.8%) had rates above the Canadian average.

For some provinces, the sample sizes are small and the estimates should be used with caution. **In these cases, the data is marked with an asterisk (*).**

Provincial rankings can change when different measures are used

Provincial poverty rankings using the Market Basket Measure are very different than those using low income cut-offs. **Notably, Quebec and Manitoba move from having some of the highest rates to some of the lowest.**

Two provinces' rankings change very little. British Columbia still has the highest rate, while Alberta still has one of the lowest.

PROVINCIAL TRENDS, 1976-2007

Highs and lows

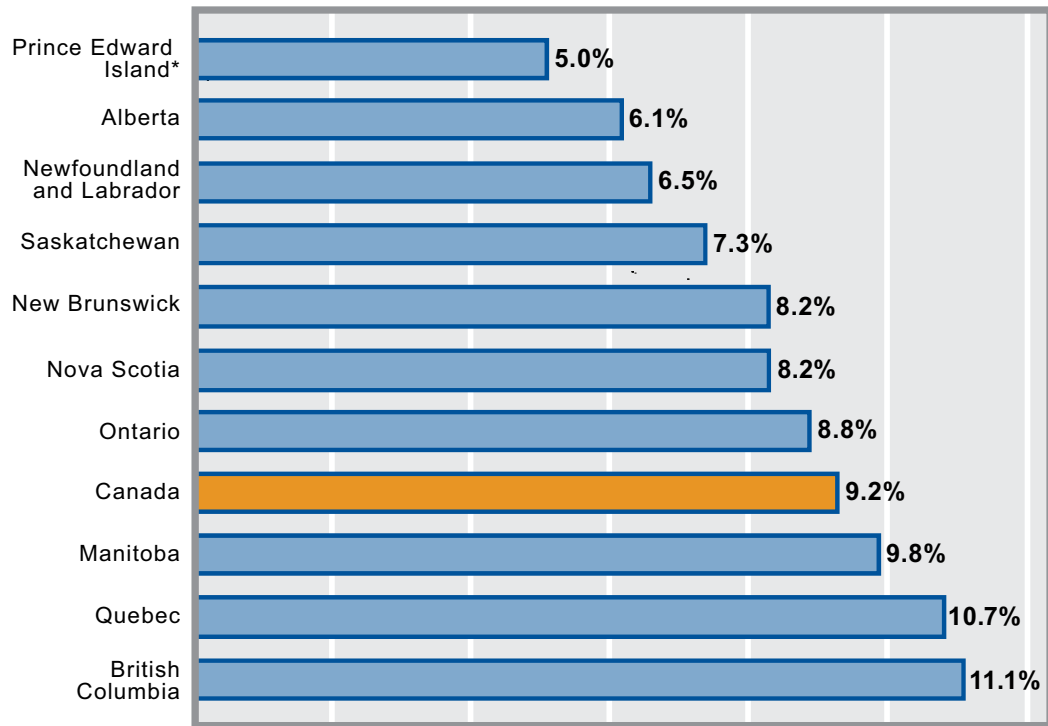
During the 31 years covered in the time series, the highest poverty rate was 20.2% in Newfoundland and Labrador in 1983. The lowest rate was 5%* in Prince Edward Island in 2007.

Poverty trends in British Columbia stand out

Most provinces follow the national trend quite closely. Between the mid-1990s and 2007, poverty rates followed a steady downward trend in nearly all provinces. In Alberta and Newfoundland and Labrador, rates have dropped faster than the national average since 2004. This was likely driven by strong economic growth.



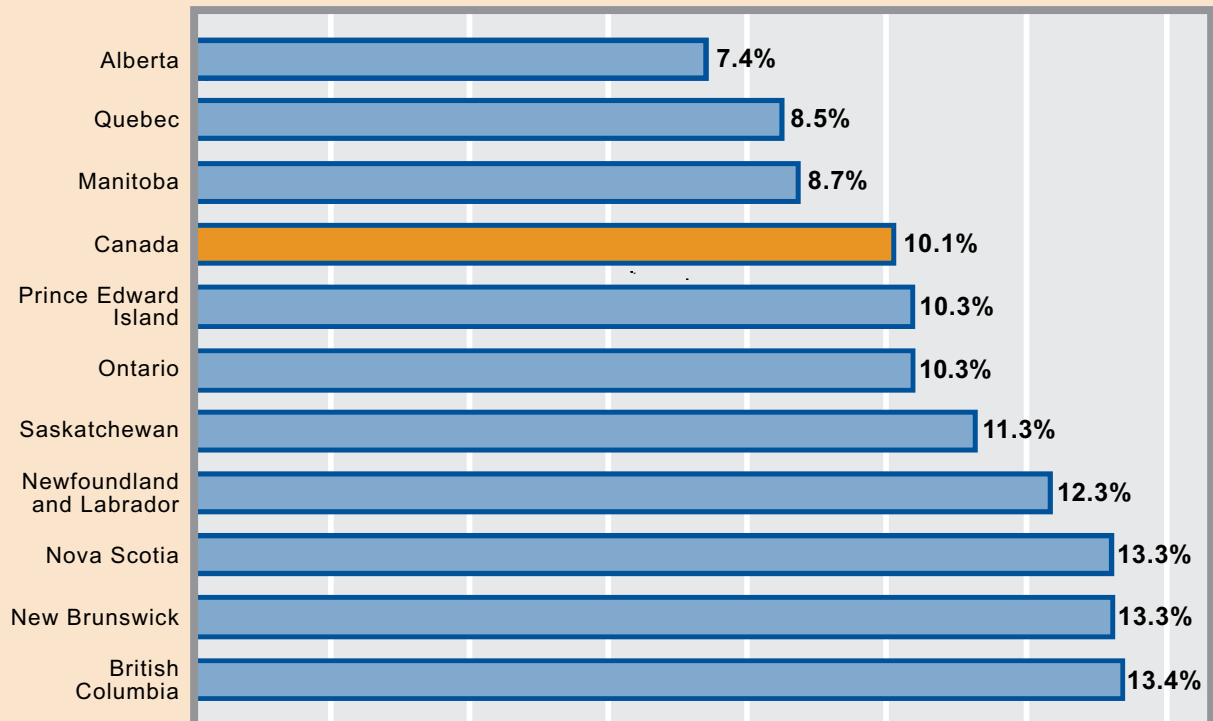
Poverty rates vary across the country



Poverty rates (%) for 2007 using after-tax LICOs.

* Use estimates with caution.

Poverty rankings change using the Market Basket Measure

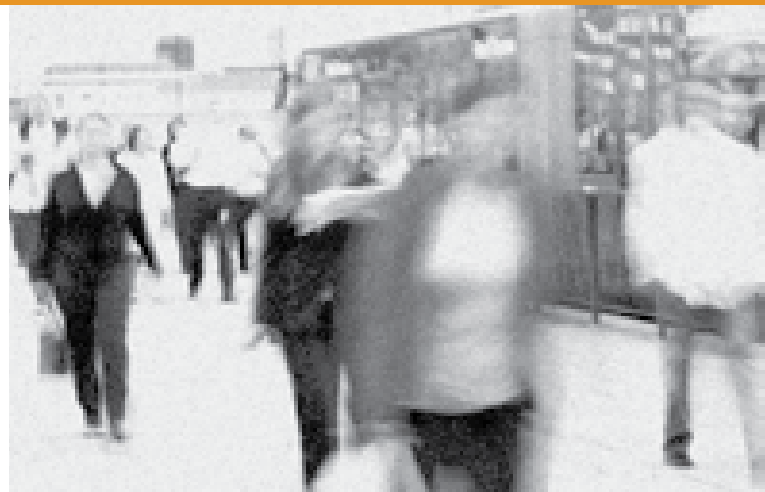


Poverty rates (%) for 2007 using the Market Basket Measure (MBM).

The trend for British Columbia in recent years stands out. In 1999, as the national poverty rate fell, the rate in British Columbia jumped up to 16.4%, making it the highest in Canada for the first time. Even though the rate eventually fell, it remains the highest in the country. This occurred despite strong economic and employment growth in the province during these years.

Overall trends remain the same using the Market Basket Measure

Trends using the Market Basket Measure are available from 2000 to 2007. It shows the same overall trends in the provinces as the low income cut-offs, even though some provinces move from being ranked below the national average to above, or vice versa.



The most recent recession will likely affect poverty rates in some provinces more than others

The impact of the recession that started in late 2008 was felt across Canada. Based on previous recessions, we would expect to see poverty rates rise across the country. Given that Ontario, Alberta and British Columbia were hit particularly hard, we may see sharper jumps in their poverty rates. Time will tell if those provinces with poverty reduction strategies will weather the recession better than others.

Why do rates differ by province?

There are some important differences from province to province that are closely linked with the strengths and weaknesses of different provincial economies. In the past, for example, Ontario had the largest and often the most robust economy and generally had low poverty rates. More recently, Alberta's strong economic growth coincided with record low poverty rates.

Provincial social programs may also influence poverty rates. For example, a number of provinces offer income supports to low-income seniors. These provincial programs supplement federal programs and have helped to lower poverty rates over the years.

Many provincial governments have strategies in place for addressing poverty or they are actively working toward introducing strategies. This is a relatively new development in Canada. At the time of this writing, these provinces are Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, and Manitoba.

HAVE WE MADE PROGRESS?

Over the past 30 years, there has been a small improvement in the poverty rate for Canada. We see some different patterns when we break it down by province.

- Eight provinces reached record low poverty rates in 2007. Only Ontario and British Columbia did not.
- The most dramatic declines over the past 30 years can be seen in Newfoundland and Labrador and Prince Edward Island.
- The least amount of change in poverty rates between 1976 and 2007 can be found in British Columbia and Ontario.

Detailed tables and charts showing poverty trends for each province (using LICOs and MBMs) are available on our website at <http://www.ncwcnbes.net/en/research/poverty-pauvrete.html>

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