



Region of Waterloo

Poverty Myth Busters for Waterloo Region

*We are all part of the puzzle –
we all have a piece to play.*





Poverty Myth Busters for Waterloo Region

Did you know that there are misconceptions about poverty that exist in our community?

*In speaking with regional staff and the community including people with lived experience, we heard that these myths can sometimes get in the way of poverty reduction. By designing these Myth Busters we are attempting to help change attitudes about poverty and encourage action because **we all have a role to play in solving poverty.***

These Myth Busters highlight some of the popular myths about poverty and responses to these myths.

Next time you hear any myths, help change attitudes about poverty by sharing the realities and busting the myths.

MYTH:
Poverty is not
an issue in
Waterloo Region.

More than **1 in 10** people in Waterloo Region live in poverty.

REALITY:
Although Waterloo Region
is a great place to work, live
and play, poverty is an issue
in our community. In 2006,
approximately 10.2 per cent
of residents (48,000 people) in
Waterloo Region were living
with low income.¹

*Imagine - you could fill the
Kitchener Memorial Auditorium
seven times with this many people!*



Did you know...

- 12.2% or 13,750 children 0 to 17 years in Waterloo Region are living in low income.²
- 451,411 meals were served in 2011 through meal programs throughout Cambridge, Kitchener and Waterloo.³
- In May 2013, there were 8,727 cases on the Ontario Works (OW) caseload. This is a 39% increase in the caseload from September 2008.⁴

MYTH:
We can't keep throwing money at the problem – we can't afford to solve poverty.

*"Many Canadians are concerned that reducing poverty means more spending on people living in poverty, leaving others worse off. The growing body of research tells a very different story. It shows that **reducing poverty benefits everyone.**"*⁵

National Council on Welfare

REALITY:

We can't afford poverty. Not only does poverty have a negative effect on the health and wellbeing of those who directly experience it, but it affects us all. The financial costs of poverty, both direct and indirect can impact areas such as health care, social services, policing, corrections and lost potential for our community and its residents.⁶



Did you know...

- Local research demonstrates that managing homelessness by providing emergency services is 10 times more expensive than ending homelessness by providing adequate housing and support.⁷
- In terms of increased costs to the health care system, poverty - not simply lifestyle choices - is generating huge costs for the health care system.⁸ It has been proven that with each step up the income ladder, Canadians have less sickness, longer life expectancies, and better health.⁹
- In 2008 it was estimated that in Ontario, every household pays a minimum of \$2,300 per year to cover the costs of poverty.¹⁰
- Poverty means that our society and economy are losing out on a lot of talent and potential.¹¹

MYTH:
Being employed
is the key to not
living in poverty.

*1 in 3 people living with low income
in Waterloo Region are working.*



REALITY:
1 in 3 people who
are living with low
income in Waterloo Region are
working.¹² Working full-time at
minimum wage does not provide
enough income to raise a family
above the poverty line.



**Unstable or precarious forms of
employment including temporary,
part-time and casual forms of
work are becoming increasingly
more common in Ontario.¹³
Growing numbers of people
are employed in jobs that have
unpredictable hours, provide
no benefits, pay low wages and
provide less job security.**



Did you know...

- Locally, 37% of people who are living with low income in the Waterloo Region are working,¹⁴ and 68% of these people are working full time.¹⁵
- Between 2000 and 2005 there was a 24% increase in the rate of working poverty among Ontario's working-age population.¹⁶
- In 2007, 34% of all children in Ontario living in low income lived in a family where at least one parent was working the equivalent of a full time, full year job.¹⁷

MYTH:

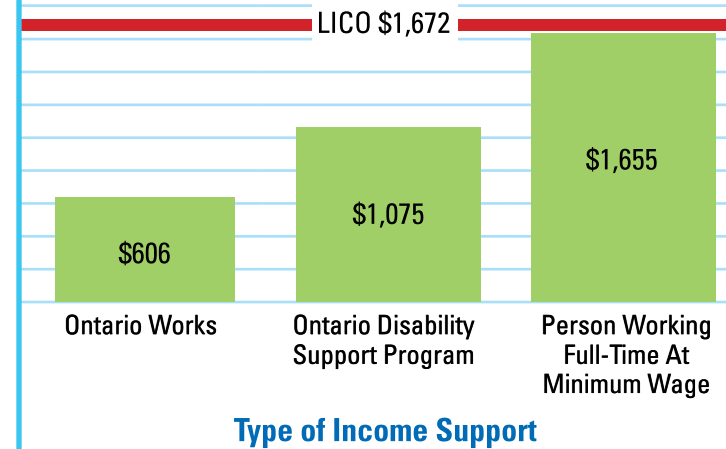
There is no motivation to get off Social Assistance because payments on Social Assistance are too high.

REALITY:

Social Assistance payments are far below the poverty line. In fact, they are so low that people who receive Social Assistance are often unable to meet basic needs such as food, shelter, and clothing.

The table below illustrates that individuals who are receiving Ontario Works (OW), Ontario Disability Support Program (ODSP) and individuals who are working full time at minimum wage are living below the Low Income Cut-Off.¹⁸

Monthly Income Benefit for an Individual*



Did you know...

After paying market value rent and purchasing healthy food, a single person on Ontario Works would have no money to purchase other basic necessities such as utilities, clothing and transportation. In fact, they would have **negative \$236.57** left over for the month.¹⁹



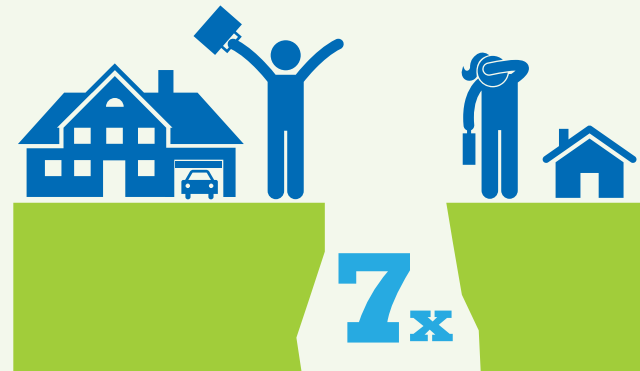
*The OW, ODSP rates are based on the 2012 rates for individuals. The full-time minimum wage is based on \$10.25/hour x 37.5 hours/week. LICO is based off the 2011 before tax figures.

MYTH:

Poverty is the fault of people living in poverty.

REALITY:

Poverty could happen to anyone. Many people are only one step away from poverty (such as a serious illness or job loss). There are also a number of population groups who experience significant systemic barriers (such as new immigrants and Aboriginal populations).



The wealthiest groups in our community have roughly **seven times** the income of the poorest, a figure which has been rising since 1995 (from 5.9 to 7.1 times in 2010).²⁰



Did you know...

- Increases in employment income have typically benefited households that already make over \$100,000, while employment rates have fallen among less-educated people.²¹
- In 2006, 30.2 per cent of all individuals who immigrated to Canada within the last five years in Waterloo Region live in low income.²²
- 1 in 5 Aboriginals in Waterloo Region live in low income.²³
- It has been well documented that “the system that is intended to lift people out of poverty is substantially broken, often entraps people in poverty, and needs an overhaul.”²⁴

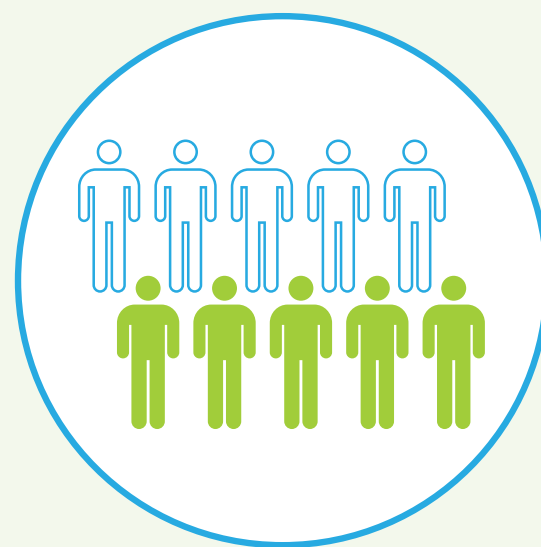


MYTH:
Poor people
are bad at
budgeting.

REALITY:

People living with low income can be some of the most resourceful budgeters but it is very challenging to budget if you don't have enough money to meet your daily needs.

Almost half of Canadians feel they are 1 to 2 paycheques away from living in poverty.²⁵



Did you know...

- If you use a payday loan program to put food on the table you can end up paying alarming interest rates on the loan (interest annualized to 546% in Ontario).²⁶
- In 2009, students in Ontario were graduating with debt close to an average of \$25,778.²⁷
- For a 3 year old child to attend a centre-based licensed early learning and child care program in Waterloo Region for 1 year on a full time basis it costs between \$8,680 and \$14,875.²⁸

MYTH:
There's nothing
I can do.



REALITY:

Everyone has a role to play to address poverty. You too can make a difference.

We are all part of the puzzle — we all have a piece to play. What's your part?



Did you know...

There are many ways you can help reduce poverty and together we can make a difference. Consider the following important activities that you can do to help:

- Share this document with friends, family and coworkers and talk about poverty and poverty reduction
- Use inclusive language that respects the diversity of individuals by focusing on people's strengths rather than their challenges
- Advocate for more resources and encourage long-term solutions
- Volunteer your time to directly support people in your community
- Donate used household goods and furniture to local organizations

Endnotes

1. Region of Waterloo Public Health. (2010). *A series of public health briefs on low income status: Low income status in Waterloo Region in 1996, 2001 and 2006*. Waterloo, ON.
2. Statistics Canada. (2006). UPP_06_Table1. *Canadian Census*.
3. MacDuff, K. (2013, June 5). Food Assistance Network Coordinator. *The Food Bank Waterloo Region, Personal Communication*.
4. Region of Waterloo Social Services. (2013, May). Memorandum for Chair Sean Strickland, and Members of Community Services Committee. *Ontario Works Caseload: May 2013*. Region of Waterloo: David Dirks. Retrieved from <http://www.regionofwaterloo.ca/en/regionalGovernment/resources/SA2013-0618.pdf>
5. National Council of Welfare Reports. (2011). *The Dollars and Sense of Solving Poverty: In Brief*. Ottawa, ON. Retrieved from http://vibrantsCanada.ca/files/dollars_and_sense_en_summary_web.pdf
6. Region of Waterloo. (2012A) . *The Region of Waterloo's Comprehensive Approach to Poverty Reduction*. Waterloo, ON. Retrieved from http://socialservices.regionofwaterloo.ca/en/communityPlanningPartnerships/resources/-comprehensiveapproachtopoverty_web_8_5x11_.pdf
7. Pomeroy, S. (2007). *Pro-Active Versus Reactive Responses: The Business Case for a Housing Based Approach to Reduce Homelessness in the Region of Waterloo*. Regional Municipality of Waterloo. Focus Consulting Inc.
8. Lightman, E., Mitchell, A., & Wilson, B. (2008). *Poverty is making us sick: A comprehensive survey of income and health in Canada*. Retrieved from <http://www.wellesleyinstitute.com/wp-content/uploads/2011/11/povertyismakingussick.pdf>
9. Public Health Agency of Canada (PHAC). (n.d.). *What makes Canadians healthy or unhealthy?* Retrieved from <http://www.phac-aspc.gc.ca/ph-sp/determinants/determinants-eng.php>
10. Laurie, N. (2008). *The cost of poverty: An analysis of the economic cost of poverty in Ontario*. Toronto, ON: Ontario Association of Food Banks.
11. National Council of Welfare Reports. (2011). *The Dollars and Sense of Solving Poverty: In Brief*. Ottawa, ON. Retrieved from http://vibrantsCanada.ca/files/dollars_and_sense_en_summary_web.pdf
12. Statistics Canada, Census. (2006). After Tax Census Sub-Division (CSD). Custom Tabulation.
13. Law Commission of Ontario. (n.d.). *Quick facts about vulnerable workers and precarious work*. Retrieved from <http://www.lco-cdo.org/vulnerable-workers-interim-report-quick-facts.pdf>
14. Statistics Canada, Census. (2006). After Tax Census Sub-Division (CSD). Custom Tabulation.
15. Ibid.
16. Stapleton, J., Murphy, B., & Xing, Y. (2012). *Summary Report. The Working Poor in the Toronto Region: Who are they, where they live, and how trends are changing*. Toronto, ON: Metcalf Foundation. Retrieved from <http://metcalfoundation.com/wp-content/uploads/2012/02/Working-Poor-in-Toronto-Region-Summary-Report.pdf>
17. Maund, J. (2009). *2009 Report Card on Child and Family Poverty in Ontario: From Promise to Reality - Recession Proofing Ontario Families*. Ontario Campaign. Toronto, ON. Retrieved from <http://www.campaign2000.ca/Ontario/reportcards/2009OntarioReportCardEnglish.pdf>
18. A LICO is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family. The approach is essentially to estimate an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing (Source: Statistics Canada, 2012)
19. Region of Waterloo Public Health. (2012). *May 2012 Nutritious Food Basket Scenarios*. Waterloo, ON.
20. Region of Waterloo Public Health. (2013). *Income Gap Report: What Rising Disparities Mean for Population Health in Waterloo Region*. Waterloo, ON.
21. Ibid
22. Region of Waterloo Public Health. (2010). *A series of public health briefs on low income status: Low income status in Waterloo Region in 1996, 2001 and 2006*. Waterloo, ON
23. Ibid.
24. Standing Senate Committee on Social Affairs, Science and Technology. (2009). *In from the margins: A call to action on poverty, housing and homelessness*. Retrieved from <http://www.parl.gc.ca/Content/SEN/Committee/402/citi/rep/rep02dec09-e.pdf>
25. Canadian Centre for Policy Alternatives. (November 20, 2006). *Growing Gap, Growing Concerns: Canadian Attitudes Toward Income Inequality*. Toronto, ON. Retrieved from http://www.policyalternatives.ca/sites/default/files/uploads/publications/National_Office_Pubs/2006/Growing_Gap_Growing_Concerns.pdf
26. CBC Radio. (2013, February 27). *Cleaning Up the Payday Loan Industry*. Retrieved from <http://www.cbc.ca/thecurrent/episode/2013/02/27/cleaning-up-the-payday-loan-industry/>
27. The Canadian Millennium Scholarship Foundation. (November 2009). *The Price of Knowledge: Access and Student Finance in Canada; Fourth Edition*. Montreal, QC. Retrieved from https://qspace.library.queensu.ca/bitstream/1974/5780/1/POKVol4_EN.pdf
28. Region of Waterloo Social Services. (2012). *Early Learning and Child Care Profiles*. Retrieved from <http://www.socialservices.regionofwaterloo.ca/en/childrensservices/childrensserviceplan.asp>



Acknowledgements

The Region of Waterloo would like to thank the following groups for their valuable input:

- ALIVE group (Awareness of Low Income Voices)
- STEP Home Participant Advisory Group (PAG)
- Employment and Income Support Community Advisory Committee
- Staff of the Social Planning, Policy and Program Administration Division, Region of Waterloo

This project is an initiative of the Region of Waterloo's Comprehensive Approach to Poverty Reduction.

For more information about the Region of Waterloo's Comprehensive Approach to Poverty Reduction visit the Region's website at www.regionofwaterloo.ca/socialservices and search "poverty" or contact Social Planning, Policy and Program Administration 519-883-2117.

Alternative formats of this document are available upon request.

Docs # 1453582



Region of Waterloo