



Vibrant Communities Calgary's response to the Alberta Budget 2019: The impact on vulnerable Albertans and Enough for All

Research shows that poverty in Alberta costs the provincial government and Alberta taxpayers between \$7.1 billion and \$9.5 billion annually (see [Poverty Costs](#)). Clearly, poverty impacts everyone in our community.

Since poverty is a complex issue, reducing it depends on all of us; governments, community organizations, those with lived experience of poverty, and business owners alike must play a role. However, the role of government is particularly important, as government policy set both the tone and environment in which the other stakeholders play their role. Reducing poverty requires a comprehensive set of government policies focused on basic needs, social and human capital, opportunities for asset building, and access to good jobs, to name a few.

Vibrant Communities Calgary (VCC) has been advocating for policies to reduce poverty for over a decade, and from our perspective Budget 2019 raises concerns in our collective desire to reduce poverty in Calgary. Although we understand and respect the difficult choices our government has had to make as they work to balance the budget, our role as a backbone organization of Enough for All, Calgary's poverty reduction strategy, commits us to share our concerns, and deepen awareness.

enough
for  **all**

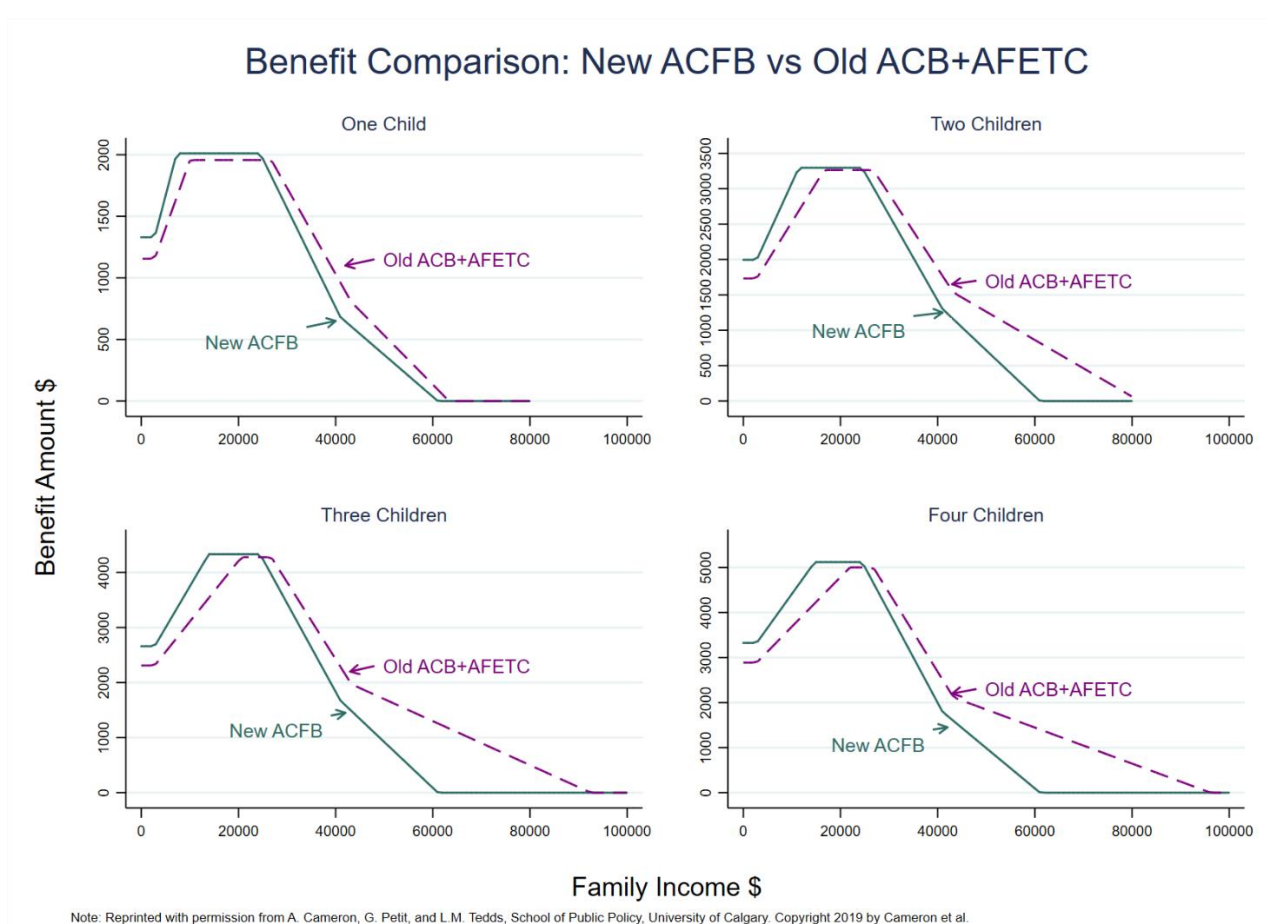
Enough for All is Calgary's community-driven poverty reduction strategy. It was adopted unanimously by City Council and the United Way of Calgary and Area's Board of Directors in 2013. In 2014, Vibrant Communities Calgary was appointed as the steward of the strategy. For more information, visit www.enoughforall.ca.

Ensuring everyone has the income and assets to thrive

The Alberta Child and Family Benefit

This new program replaces the Alberta Child Benefit (ACB) and the Alberta Family Employment Tax Credit (AFETC). The government consolidated the two programs to simplify payments and lower administration costs, while also concentrating slightly higher benefits towards those with the lowest income. On the surface these changes are positive; however, when examined more closely, the new program will serve fewer families than previously.

For an example of the impact of this program, a family of two adults and two children whose annual family income is at the \$40,207 [poverty line](#) for Calgary, receive approximately \$2,000 per year from the Alberta Child Benefit and the Alberta Family Tax Credit. [Mom and dad use the extra cash to pay for food, clothing, school supplies, and school fees](#) so their children have the materials they need for school and can participate in field trips. When the new Alberta Child and Family Benefit program is implemented in July 2020, the family will receive about [\\$500 less per year than previously](#). This means they will have to make some difficult choices, possibly forgo investments in their children’s education or buy cheaper, less nutritious food. A comparison of the two programs is pictured in the graph below. Budget 2019 describes this new benefit program as a more affordable tax expenditure; however, there is always a social cost when benefits for families who need them are reduced.



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Income Support Programs

Under Budget 2019, Alberta’s various Income Support programs will no longer be indexed to keep up with inflation, which will translate to a reduction in benefits. This applies to:

- Assured Income for the Severely Handicapped (AISH)
- Income Support
- Alberta Seniors Benefit

In 2012, VCC published a research report “[Poverty Costs](#)” (and later [Poverty Costs 2.0](#)) to determine the cost of poverty to taxpayers in Alberta. The report highlights a recommendation from an MLA committee review of Alberta’s Income Support Programs in 2001, to increase the benefit rates for social assistance recipients to within 10 per cent of the poverty line and index them to keep pace with the cost of living. The recent pause on indexation sets our progress back almost 20 years. Recipients of all family types who were counting on these small increases will be left with fewer dollars with each passing year.

Budget 2019 points out that benefit rates are higher in Alberta than other provinces. However, since the cost of living varies across the country, a more relevant comparison would be to compare Alberta’s Income Support rates to Canada’s official poverty measure, the Market Basket Measure (MBM). Based on that comparison, a person receiving AISH today is right at the poverty line while someone on income support with barriers to employment would only receive support up to [50 per cent of the poverty line](#). Going further, when comparing [income support rates](#) against the poverty threshold in other provinces, Alberta’s rates are among the worst.

The savings to government by de-indexing are minor, but the loss of inflation increases will have a noticeable impact on the lives of many Albertans who count on these benefits to meet their basic needs.

Affordable Transit

Being able to travel easily to go to work and access basic services is seen as critical to reducing poverty. Fair Calgary Community Voices (FCCV) is a community group of individuals and organizations working towards a vision of public transit that is affordable, accessible, convenient and connected. Since 2012, FCCV has been working alongside other community advocates and through sustained advocacy efforts the creation of the first sliding scale transit fare structure in Canada was established in April 2017. The City of Calgary administration [reported](#) that the program has made significant positive impacts on the day-to-day lives of the people who purchased the pass.

We commend the provincial government for Budget 2019 indicating that provincial funding for the low-income transit pass will be extended for Edmonton and Calgary. However, we note that the budget does not reveal how the \$9.5 million will be allocated between the two cities. Previous funding for Calgary’s sliding scale pilot was \$4.5 million.

Affordable Housing

Access to affordable housing increases the likelihood that people will not fall into or remain in poverty. We are deeply concerned about reductions to affordable housing including, a 24 per cent reduction to the rental assistance program, the 3.5 per cent reduction to operating budgets

of Housing Management Bodies, and the reduction to the [Indigenous Housing Capital Program](#), going down from \$120 million to \$35 million over four years. These reductions will not only impact large organizations such as the Calgary Housing Company, but many homeless shelters who operate affordable rental units such as the Mustard Seed, and the Brenda Strafford Centre. Enough for All stakeholder [the Community Housing Affordability Collective or CHAC](#) is currently focused on three key outcomes:

- To establish a common voice with all orders of government and the public
- Ensure that residents can access the full range of housing options to meet their needs
- Develop or modify tools and processes to increase housing affordability

We are concerned that the reduction in operating budgets may diminish the capacity of the collective to achieve these goals.

Before the release of the budget, organizations such as Calgary Housing, Horizon Housing and Home Space were struggling to meet the demand. The current waitlist for Calgary Housing is 4,600 with a majority in need of social housing or a rent supplement. Although it's not clear how those currently receiving rental assistance will be impacted, we know there is little chance of the

[Research](#) published by the Calgary Homeless Foundation reports that it costs \$55,000 a year to shelter and support a homeless person, versus only \$21,000 a year to provide a home with appropriate supports.

program accepting new applications.

[Calgary needs 15,000 new affordable housing units](#) just to reach the national average for non-market housing supply across Canada's large cities, so these reductions will add further strain to the many families, and single people waiting for affordable housing. We believe improving housing affordability not only reduces poverty but can increase our city's attractiveness to new businesses and workers, and will reduce financial stress on our health care, judicial, policing and social services.

Adult literacy and foundation learning

Literacy and foundational knowledge include the skills necessary for navigating life, finding employment, securing housing and accessing services. We need an educational system that encourages inclusive learning and the development of appropriate skills and competencies.

Budget 2019 indicates that Alberta's education funding model is not sustainable and introduces funding reductions to the K-12 school system as well as the advanced education system. According to the Calgary Board of Education (CBE) the loss of three targeted grants:

- Class size initiative

- Fee replacement- to cover instructional supplies and transportation.
- Classroom improvement fund

will translate to [a reduction of \\$32 million](#), at a time when enrolment has increased by 2,400 students. In this scenario, a family with children in the public education system could be faced with bussing fee increases and larger class sizes. Regarding advanced education, post-secondary students will experience an increase in [tuition fees by as much as 7 per cent](#). We are concerned about how these extra costs will impact the affordability and accessibility of our education system. We are pleased that current funding was maintained for library services and the [Community Adult Learning Program](#).

Justice

Calgarians need the knowledge, resources and capability to understand and address their legal issues and deserve a legal system that does not contribute to or cause poverty. People living in low income [are more inclined to have legal issues](#), many are not aware of available resources, and not everyone qualifies for subsidized legal services such as legal aid.¹ Under Budget 2019, the Ministry of Justice and Solicitor General will receive a decrease of 6.6 per cent in their operating budget over four years, which is expected to decrease existing direct services to Albertans.

We commend the government for allocating \$27 million in capital funding to enhance technology to provide Albertans with timely and accessible supports and services through e-courts. However, we urge the government to ensure that in-person services are also available for those who lack access to technology or who cannot navigate technological resources due to literacy, mental health or other issues.

Budget 2019 also includes funding to hire an additional 50 more Crown prosecutors and related support staff, which should expedite criminal law matters. “A good move” according to Marina Giacomini, Executive Director for Calgary Legal Guidance (CLG), and a member organization of the Justice Sector Constellation. However, CLG is concerned with the social benefits aspects of their work, the freezing of AISH and Income Support will most likely put more pressure and increase demand for their services.

The additional Crown prosecutors will not assist Albertans responding to criminal charges who cannot afford legal counsel through Legal Aid or otherwise. Neither will this address the overrepresentation of Indigenous peoples in custody or support Albertans who are released from custody into poverty and are therefore more likely to re-offend.

Indigenous Relations

One of the Enough for All goals is “All Indigenous People are Equal Participants in Calgary’s Future.”

¹ Mary Stratton, Alberta Legal Services Mapping Project: An Overview of Findings from the Eleven Judicial Districts (Canadian Forum on Civil Justice, July 2011) 17.

The Ministry of Indigenous Relations, which is at \$190 million for 2019-20, is going down to \$176 million by 2022-23, representing a 7.3 per cent reduction over four years. As it is indicated in our [snapshot of poverty report in 2018](#), if we are to contribute to a meaningful reduction in poverty with Indigenous people, we must address the root causes, not only the symptoms, of poverty. The legacies of colonization, the residential school system and the 60's Scoop will continue to determine the long-term potential and progress of Indigenous people unless we prioritize these needs by not only effectively resourcing efforts but incorporating storytelling approaches and ceremony.

Enough for All stakeholder [the Indigenous Gathering Place Society of Calgary](#) (IGP) has made significant progress towards building a physical space for Indigenous people to heal, renew, and connect with their history. It's an ambitious project that is decades in the making, and so far, the organization has discovered strong support from the community and the municipal government. Despite the reduction, Budget 2019 proposes a couple of investments aimed at creating economic opportunities for Indigenous people to share in the prosperity of Alberta. IGP board members have reached out to the Ministry to seek assistance and guidance on securing provincial funding for the Indigenous Gathering Place in Calgary and we hope the Ministry recognizes that the preservation of culture and Elder involvement are key components to strengthening economic opportunities for Indigenous people.

Physical and Mental Health

As it is reported in the Enough for All strategy, VCC adheres to the research on the social determinants of health that suggest further investments in poverty reduction namely housing yields higher rates of return in terms of improved health outcomes than additional investment in direct medical care. [The division in spending between health and social](#) ads valuable insight into what the budget reports as significant system pressures and challenges. That said, the importance of a publicly funded, and universally accessible health system cannot be overstated. Budget 2019 reports that a comprehensive review of Alberta Health Services was due to the government on December 31, 2019, with the goal of identifying ways to reduce costs and improve performance. Ideally, this review would include ways to reallocate health spending towards investments in housing, [an efficient way of achieving better health and social outcomes](#).

We are pleased with the \$100 million investment for the Mental Health and Addiction Strategy, as well as other investments targeted towards the opioid crisis. It is generally accepted among the social service sector that mental health supports are severely lacking in Calgary, along with perpetual [discrimination and stigma](#) of people living with complex mental health and addictions issues.

Workforce Development

Adequate employment is central to reducing poverty. Workforce development policies need to ensure families and individuals receive living wages and that people have opportunities to develop and refresh their skills through continuing education. Budget 2019 has made some laudable investments in workforce development training. However, in order to realize Alberta's

full potential in creating jobs and building a workforce we must be more strategic in our approach to programing, policy, and budget allocations.

One example, governance of workforce development is divided among four ministries with distinct mandates, and are further fragmented across programs and initiatives. The Auditor General has warned that, without a strategy and system for measuring outcomes, “long-term results will succumb to short-term needs and not support [...] vulnerable Albertans.” Alberta’s last workforce development strategy expired in 2016. The time is right to create a new one in collaboration with all sectors that can better inform future budgets. Alberta could also do a better job with budget allocations for skills and job training. Every year, Alberta receives funding (\$500 million over two years) from the federal government to provide skills training programs, including integrated training. Recent updates to the Labour Market Transfer Agreements (LMTAs) give Alberta more autonomy and flexibility in how it uses this money. Yet, Alberta is not fully exercising this autonomy. The province has an opportunity to be more strategic – to create a made-in-Alberta approach in how we use this funding. We hope that an Alberta-made strategy will enable the creation of more training opportunities for those who are unemployed, those with low skills and weak labour market attachment, including immigrants.

Early learning and care

Quality care environments contribute to children’s growth and development, which in turn helps to prevent intergenerational poverty. Affordable accessible childcare also helps to increase families’ capacity for gainful employment. Before outlining budget implications it is important to note that there are not enough child-care spaces in Calgary to meet the need, and even fewer that are affordable. Currently, in Alberta there are only enough regulated child-care spaces [for one in three children under the age of five](#). We are pleased funding will be maintained for the Early Learning and Child Care Centre pilot initiative that is currently providing quality child-care for children in five centres located in Calgary with maximum fees of \$25 per day. However, we are not assured that our government is committed to improving the affordability; quality and accessibility of our childcare system, as the Ministry of Children’s Services has discontinued three important programs including the Kin Childcare Subsidy, [the Benefit Contribution Grant and the Staff Attraction Incentive programs](#). Also, the discontinuation of the Early Childhood Coalition funding will severely limit the Enough for All mission to align and leverage the work of the early learning and child-care sector. This funding was crucial [for closing the gap in the sector](#) around linking, aligning and leveraging existing programs and services, reducing duplication, and improving efficiencies.

Gender Plus Analysis

VCC has applied a gender-based plus analysis to Budget 2019, a tool that can be used to support all government departments to consider the impact of a policy on diverse groups of people, and help determine who might benefit and who might experience unintended negative consequences. Using this approach, we are pleased to see investments made towards

encouraging women to pursue the skilled trades through the Women Building Futures Program, an industry that traditionally offers higher wages, and one where women are underrepresented.

Looking at some of the funding reductions in Budget 2019, we are concerned many of the reductions will disproportionately impact women.

Some examples of reductions that will disproportionality impact women include changes to eligibility of the Alberta Family and Child Benefit, the de-indexing of Income Supports and the loss of the Kin Childcare Subsidy. Women in Alberta face the largest employment gender gap of any province, are overrepresented in lower-paying jobs, and [experience poverty at a greater rate than men](#). Like most provinces, women in Alberta also make up a large portion of the public sector, working as nurses, teachers, and social workers, and we are concerned how job losses in the public sector will impact them.

Conclusion

The Enough for All strategy was born out of a realization that despite a booming economy, poverty in Calgary has persisted, and will continue to persist without effective policy initiatives and investments. The community has responded, Calgary is seen as a leader for its collective impact approach to poverty reduction, and we are thankful for continued investments to proven approaches such as affordable transportation and Family and Community Support Services. However, [despite our progress](#), Calgary's efforts to reduce poverty will be impacted by the recent budget. Although it was not the intent of this report to address budget alternatives, we recognize the importance of proposing solutions when identifying problems and we look forward to continued conversations with civil servants and elected officials on effective policies to reduce poverty.

We would also like to thank the various Enough for All stakeholders who have contributed their time to the creation of this response report.

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