



Factsheet

A publication of
Niagara Poverty Reduction Network

“Working collectively to wipe out poverty in Niagara through information sharing, changing attitudes, and compelling Niagara citizens to get involved and take action.”

Poverty Myths and Facts

Myth – Poverty is the fault of the individual, people only have themselves to blame.

Fact People find themselves living in poverty for many reasons – due to life situations or often due to some personal or economic crisis beyond their control. The cause of poverty is not always simple and straight-forward. Factors that contribute to poverty range from the personal to the structural. Examples include the affordability of housing, the adequacy of employment insurance, access to health, education and training, and the lack of living wages from employment. Those who are living in poverty are made up of older people as well as younger people; they are the disabled as well as the able-bodied; the well-educated as well as the poorly educated. Losing a job, losing a spouse, and losing good health are some of the reasons that people fall into poverty. Poverty affects 3 million Canadians; 1 in 5 are children.

Myth – Children from poverty have the same opportunities as children who do not live in poverty.

Fact Children in poverty are more likely to experience a range of negative outcomes: low academic achievement, health problems, early pregnancy, homelessness, lower high school graduation rates and poor employment outcomes. One in seven children live in poverty in Ontario. In Niagara, over 5,400 children are living in poverty.

Myth – Getting a job is the key to avoiding poverty.

Fact Having a job isn't necessarily a ticket out of poverty. Canada's official unemployment rate in 2012 was 7.2%, or 1,360,000 workers. Canada has one of the highest proportions of low-paid workers among industrialized countries. About 1 in 6 workers, 1 in 5 female workers, and 1 in 10 full-time workers are earning poverty wages. In 2008, one-third of all Ontario children living in poverty (LICO-BT) were in families with full-time, full-year hours of work.

Before-tax LICO (2010) for an individual living in a community the size of Niagara Region is \$19,496
Before-tax minimum wage (\$10.25) full time yearly earnings (35 hrs. a week) is \$18,655.

Myth – There is no real link between poverty and health.

Fact People living in poverty are more likely to get sick and their illnesses are likely to be more serious. They have higher rates of chronic diseases such as diabetes and heart disease. Without a decent income, some people are unable to afford healthy foods and maintain a healthy lifestyle. They also cannot afford health care programs, services, prescription medications and other treatments that many take for granted, such as dental care.

The poorest 20% of Canadians, when compared to the richest 20%, have:

- ▶ more than double the rate of diabetes and heart disease;
- ▶ more than three times the rate of bronchitis;
- ▶ nearly double the rate of arthritis or rheumatism;
- ▶ 358% higher rate of disability;
- ▶ 128% more mental and behavioural disorders;
- ▶ 95% more ulcers.

Myth – We can't afford to end poverty.

Fact We can't afford **NOT** to end poverty. Poverty costs the residents of Ontario from \$32 to \$38 billion a year. Poverty costs every household in Ontario \$2,300-\$2,900 per year in our tax dollars for health care, social programs and criminal justice just to name a few. The total social transfer, private cost, and social cost of the consequences of poverty in Niagara are approximately \$1.38 billion per year.

The high costs of poverty could be reduced by providing low-income Ontarians with the education, training and skills they need to improve their situation. If done in this way, the potential savings outweigh the amounts that we all spend fighting poverty.

Myth – Job creation and a strong economy will help poor people.

Fact The wealth created in good economic times is not evenly spread out. In fact it has made the gap between the wealthy and poor even larger. The gap between the wealthy and the poor is widening in Niagara, as in all parts of Canada. According to the National Council of Welfare (2006), for every \$1 earned by the poorest 10% of families with children, the richest 10% of families with children earned \$14.48.

Although a strong economy means more jobs, these jobs also need to be good paying jobs. Poverty and inequality are not inevitable. They are the result of choices we make in public policy. They are the result of business choices about paying people enough for the work they do.

Myth – People who are living in poverty are uneducated.

Fact A higher level of education decreases the risk of poverty. People living in poverty in Ontario and Canada are more highly educated than ever before; 80% of low income parents in Canada had completed high school (2004); 50% had some post-secondary education; 45% of the unemployed in Canada had completed a post-secondary education (October 2010).

**For more information on the Niagara Poverty Reduction Network, go to
wipeoutpoverty.ca**