

# **POVERTY FACT SHEET**

## **Poverty in a wealthy land is a failure of community.**

The Religious Social Action Coalition of Newfoundland and Labrador is committed to the elimination of poverty in our province, in our country and in our world.

### **THE POOR ARE GETTING POORER**

In 1999, the richest 20% of Canadians had a combined financial net wealth of 2.4 trillion dollars.

The poorest 20% had a combined net wealth of less than zero!  
They had a combined net *debt* of 3.7 billion dollars.

**Six years later, the wealth of the rich had grown over 43 %.  
Meanwhile, the debts of the poor rose by 70%.**

**It didn't just *happen*. The poor got poorer and the rich got richer because of social policies set by Parliament and the House of Assembly.**

As religious Newfoundlanders and Labradorians, we call upon *all* candidates to pledge to move our society toward fairness – and the elimination of poverty.

### **LOOK AT WHAT HAS HAPPENED TO THE EARNINGS OF CANADIANS**

Thirty years ago, the poorest 20% of families earned 4.5% of total Canadian earnings. Today, the poorest 20% earn only 2.6%.  
The poor work longer hours – and earn a smaller share of the pie.

Between 1989 and 2004, the gap between the richest and poorest Canadians widened by 35%.

**In Atlantic Canada, the poorest 30% now own less than 1% of the region's wealth.**

### **NEWFOUNDLANDERS & LABRADORIANS IN POVERTY**

**There are 66,000 of our neighbours living in poverty in Newfoundland and Labrador.**

**We have the highest rural poverty rate in Canada.**

**We have the highest rate of Minimum Wage workers: 8.5% of all employed people.**

**In 2004, the poorest 26% of Newfoundlanders and Labradorians earned less than 5% of total income in the province.**

### **HUNGER**

In 2005, more than 800,000 Canadians depended on Food Banks to survive.

**Newfoundland and Labrador had the highest per capita need for help: 5.5% of our population,  
depend on food banks – nearly 30,000 people.**

Canadian food bank use has grown 118% since 1989, despite robust economic growth.

Many Canadians who depend on food banks work at jobs. Fully 13% have employment as their primary source of income, but their wages are too low to cover the bare necessities.

Forty percent of food bank clients are children.

## **MINIMUM WAGE**

As of September, the minimum wage will be:

British Columbia, Ontario, Quebec, Manitoba, Alberta  
\$8.00  
Saskatchewan  
7.95  
Nova Scotia  
7.60  
Prince Edward Island  
7.50  
New Brunswick  
7.25  
**Newfoundland and Labrador**  
**7.00**

If you work 40 hours a week for 52 weeks at \$7.00 an hour, you'll be about \$6,000 under the poverty line.

In fact, if you work 40 hours a week for 52 weeks at **\$3 an hour above minimum wage**, you'll still be just under the poverty line.

In 2002, only 5% of Scandinavian workers were low-paid. In Canada, 25% were.

## **CHILD POVERTY**

In 2005, there were 788,000 Canadian children in poverty, the same percentage as in 1989, when Parliament *unanimously* resolved to end child poverty in Canada by the year 2000.

**On child poverty, Canada now ranks 15th among the 24 rich countries in the OECD. The top nine countries have cut child poverty rates below 10%. Canada's child poverty rate is about 14%.**

**UNDER 5%:** Denmark, Finland, Norway, Sweden

**BETWEEN 5% AND 10%:** Belgium, Switzerland, Czech Republic, France, Netherlands

**OVER 10%, BUT AHEAD OF CANADA:** Germany, Australia, Greece, Hungary, Austria

According to UNICEF: "Children who grow up in poverty are more vulnerable . . . more likely to be in poor health, to have learning and behavioural difficulties, to underachieve at school, to become pregnant at too early an age, to have lower skills and aspirations, to be low-paid, unemployed, and welfare-dependent."

**Newfoundland & Labrador has the third highest rate of child poverty among provinces, at 15.5%**

## GOVERNMENT POLICY, HIGHER WAGES ARE THE WAY TO ELIMINATE POVERTY

On the basis of its data, the UNICEF Child Poverty study concludes that:

"Higher government spending on family and social benefits is associated with lower child poverty rates. No OECD country devoting 10% or more of GDP to social transfers has a child poverty rate higher than 10%. . . . **Variation in government policy appears to account for most of the variation in child poverty levels between OECD countries.**"

UNICEF also found that cutting unemployment doesn't do much to cut poverty. What keeps most families in poverty isn't unemployment, but low wages.

### WOMEN IN POVERTY

Two-thirds of Canadian workers earning less than \$10 an hour are women.

### HOW WE SHARE OUR INCOME

THE RICHEST 10% GET	COUNTRY	THE POOREST 10% GET
21.7 %	JAPAN	4.8%
22.6%	FINLAND	4.0%
23.4%	NORWAY	3.9%
22.2%	SWEDEN	3.6%
28.1%	BELGIUM	3.4%
25.9%	SWITZERLAND	2.9%
24.8%	CANADA	2.6%
29.8%	PORTUGAL	2.0%
29.9%	UNITED STATES	1.9%
32.8%	SINGAPORE	1.9%
39.4%	MEXICO	1.6%
43.6%	PANAMA	0.8%

### HOUSING

One in six Canadians were inadequately housed in 2001.

## **NATIVE CANADIANS**

In 2001, 42% of urban Aboriginals lived in poverty in Canada.

## **NEW CANADIANS**

65% of new immigrants live in poverty sometime during their first ten years in Canada.

In their first year, 40% experience poverty.

## **BUT THINGS CAN BE DONE:**

**Ireland reduced poverty from 15% to 6.8% between the mid-1990s and mid-2000s.**

**Quebec has cut child poverty by 40% since 2000.**

**Iceland has wiped out most poverty on that North Atlantic island.**

## **HOW QUEBEC KEEPS THE HEAT ON GOVERNMENT TO END POVERTY**

Like Newfoundland and Labrador, our neighbours in Quebec have legislated an antipoverty programme. Unlike us, they have created a special office – something like an Auditor General – to keep an eye on government anti-poverty laws and report to the public regularly on what is working and what isn't.

# **RELIGIOUS SOCIAL ACTION COALITION OF NEWFOUNDLAND AND LABRADOR**

POST OFFICE BOX 21094, ST. JOHN'S NL A1A 5B2

We are a nonpartisan group of Newfoundlanders and Labradorians from a broad array of religions – Christians, Muslims, Jews, Hindus and others – united in our religious commitment to call on our society to abolish poverty at home and abroad.

It is our goal to get citizens talking about poverty – and to make  
*Ending Poverty*  
a voting issue in Newfoundland and Labrador.

If you share our religious conviction that feeding and housing the poor are our moral responsibility, we invite you to join the Religious Social Action Coalition of Newfoundland and Labrador. We look forward to working with you.

DIRECTORS: Major Ray Rowe,  
Divisional Commander, NL East Division, Salvation Army  
Phone 579-2022  
[ray\\_rowe@can.salvationarmy.org](mailto:ray_rowe@can.salvationarmy.org)

Robin Barrett  
Ecumenical Officer, Anglican Diocese of Eastern N&L  
Phone 834-6329  
[robinbarrett@nl.rogers.com](mailto:robinbarrett@nl.rogers.com)

Rev. John Duff  
Retired Minister, Presbyterian Church in Canada  
Phone 895-6179  
[john.duff@nl.rogers.com](mailto:john.duff@nl.rogers.com)

Dr. Mahmoud Haddara  
President, Muslim Association of Newfoundland and Labrador  
Phone 579-2649  
[mh2000ca@yahoo.ca](mailto:mh2000ca@yahoo.ca)

Arnold Bennett  
Jewish Community Havura  
Phone 834-3545  
[ndbennett@aol.com](mailto:ndbennett@aol.com)

SECRETARY / TREASURER: Veeresh Gadag  
Chair, Hindu Temple, St. John's  
Phone 754-1133  
[vgadag@hotmail.com](mailto:vgadag@hotmail.com)

**Poverty in a wealthy land is a failure of community.**

The Religious Social Action Coalition of Newfoundland and Labrador  
is committed to the elimination of poverty in our province, in our country and in our world.