

## The Cost of Poverty

### Poverty causes suffering and waste in BC

- Poverty in BC is the worst in Canada with half a million people in poverty, 1 in 9 of the population.
- In BC 1 in 5 children under the age of 6 live in poverty. Based on after tax income, BC has had the worst child poverty in Canada for nearly a decade.
- BC also has the worst inequality gap between the richest and poorest 20% of the population.
- Poverty touches most people in BC with many people having families and friends in poverty, or living one or two pay cheques away from poverty.

### Poverty Causes Human Suffering

- Poverty causes years of suffering, stress, and poor health.
- People who are poor suffer higher rates of illness, more time in hospital and die 10 years earlier.
- Children's mental and physical development are damaged by poverty even before they are born.
- Poverty is degrading to people, causing stress and emotional damage.
- Parents constantly struggle to feed their children and provide them opportunities for education, sport and healthy living – these all cost money.
- Dietitians of Canada say BC's welfare rates are so low that recipients can't afford to pay rent and eat nutritious food, even if they don't buy any other necessities.

### Wasting Billions

- The cost of NOT acting to end poverty is \$8-9 billion every year paid by the people of BC.
- Poverty costs every woman, child and man in BC \$2,100 a year.
- This money is wasted on increased costs of health care and crime, and lost economic opportunities.



## **Saving Money**

- It costs twice as much to maintain poverty in BC (\$8-9 billion) as it would to end it (\$4 billion).
- Tackling poverty means raising incomes to the poverty line, both for low paid workers and those on welfare, building 2,000 affordable non-market homes a year, and providing good quality public child care.
- In the short-term the government would have to invest to save money in the medium and long term. This is good economic sense, just like doing regular maintenance on a vehicle or home.
- The tax cuts to the rich and corporations since 2000 have cost the public \$3.5 billion a year. Reversing these tax cuts would provide the resources to end poverty.
- Money going to low paid workers and those on welfare would be spent in the local community, providing jobs for local business and tax revenue back to the government. Most tax cuts to the corporations do not stay in the community.

## **More Sensible Actions**

- People on welfare want to work, yet welfare for those expected to work does not include training – this is crazy. Welfare should cover training.
- Foster parents receive more money from the government to raise children than biological parents who are in crisis. Government policy is resulting in the break-up families with all the subsequent harms. Biological parents should be better supported and children should not be removed as a result of poverty.
- Single parents on welfare have every cent of child support from the absent parent taken off their welfare payments by the government. This is punishing children for living in poverty. End the claw back of child support.

## **Benefits of Ending Poverty**

- There is a direct economic benefit to the people of BC in ending poverty. It will also make BC a happier, safer, more socially just and healthier province.
- Parents would not have to choose between feeding their children or paying the rent.
- Numerous studies show that societies where people are more equal have fewer social problems.
- People would no longer be forced into dangerous decisions to survive, such as: staying with an abusive partner, working in the sex trade, doing petty crime, working 3 or 4 jobs so having no time for children, etc.

More info

Cost of Poverty report: [www.policyalternatives.ca/costofpovertybc](http://www.policyalternatives.ca/costofpovertybc)

Benefits of a more Equal Society: [www.equalitytrust.org.uk](http://www.equalitytrust.org.uk)

**For more information about the Cost of Poverty and what you can do,  
go to Raise the Rates: [www.raisetherates.org](http://www.raisetherates.org)**