POVERTY IN QUÉBEC

Winter 2015

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Mouvement pour mettre fin à l’itinérance à Montréal
Articles about Poverty in Quebec from a study by Alison Smith, conducted for the MMFIM during the winter 2015.

This series will shed light on poverty in Quebec and Montreal. Today, Alison Smith asks why the state of chronic homelessness in Canada’s four largest cities – Vancouver, Calgary, Toronto and Montreal – is so similar.

The second article looks at the social assistance system in Quebec, compared with the three largest provinces in Canada.

The third and final article considers efforts to reduce poverty in Quebec.

The articles from this series are in English and in French and may be consulted on the website: mmfim.ca.
Poverty in Québec, Part 1: the state of chronic homelessness in Canada’s largest cities

The ten Canadian provinces vary significantly in their social policies, including political efforts to reduce poverty, build affordable or social housing. There have been significant efforts to fight poverty and build social housing in Quebec, more so than in other Canadian provinces (though BC has also been very active in the area of social and affordable housing). Social assistance benefit levels, however, are very similar in Quebec to what they are in other Canadian provinces.

Despite these differences between provincial interventions in housing and poverty, the state of chronic homelessness in Canada’s four largest cities – Vancouver, Calgary, Toronto and Montréal – is remarkably similar.

Why is this the case? As the following articles will explain, the answer lies in part in a close look how the profile of poverty has changed throughout Quebec in the past ten years. While families, particularly families with children, have benefited from provincial efforts to reduce poverty, single people have not fared so well. In fact, poverty has increased among single people since 2003.

This is the first in a three-part series on poverty in Québec; this first post will present what we know about chronic homelessness in Canada’s four largest cities. The second post will compare social assistance rates in Québec with those offered in other provinces. The final post will look at provincial efforts to reduce poverty, notably the law against poverty and the subsequent provincial plans to reduce poverty, and will consider the effect these provincial actions have had on the profile of poverty in Quebec.

The state of homelessness in Canadian cities

The state of chronic homelessness in Montréal is very similar to what it is in other big Canadian cities.

The table below presents the results of the most recent Point-in-Time homeless counts in Vancouver, Calgary, Toronto and Montréal. The first set of numbers (Total and Ratio (total)) presents the overall results of the homeless counts, which can be compared across the four cities by looking specifically at the ratio of homelessness as it relates to the overall population of the city. The first two numbers show fairly significant differences; there seems to be more homelessness in Vancouver and Calgary than there is in Montreal and Toronto.
This first comparison, though interesting, is problematic; each city used a slightly different methodology and, importantly, definition of homelessness. As a previous article on this subject and recent article in the European Journal of Homelessness explains, these differences affect who is counted as homeless and therefore means the side-by-side comparability of the results is somewhat problematic.

A better way of comparing homelessness in the four big cities is to look at the level of chronic homelessness, defined as anyone who has been homeless for one year or more.

The Point-in-Time methodology has limits, such as its ability to measure hidden homelessness. It is recognized in Canada and around the world, however, as providing an accurate estimation of chronic homelessness; people who are chronically homeless are more likely to be “counted” using the Point-in-Time methodology than those who experience episodic or transitional homelessness.

Table 2: Chronic homelessness in Canadian cities

<table>
<thead>
<tr>
<th></th>
<th>Chronic</th>
<th>Ratio (chronic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver Pop: 607,000 (Count: Mar 24 2015)</td>
<td>784 (45%)</td>
<td>1:768</td>
</tr>
<tr>
<td>Calgary Pop: 1,097,000 (Count: Oct 16, 2014)</td>
<td>1,457 (41.2%)</td>
<td>1:752</td>
</tr>
<tr>
<td>Toronto Pop: 2,615,000 (Count: Apr 17, 2013)</td>
<td>2,941 (56%)</td>
<td>1:884</td>
</tr>
<tr>
<td>Montreal Pop: 1,650,000 (Count: Mar 24, 2015)</td>
<td>1,809 (60%)</td>
<td>1:912</td>
</tr>
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</table>
The reports for each of these counts provide a detailed breakdown of the results, including the length of time that people have been homeless. This allows us to look just at chronic homelessness, which for the purposes of this article is the most accurate measure for comparing homelessness.

*When we compare the level of chronic homelessness in each of the four cities, we see that they are very similar.*

The second set of numbers (Chronic and Ratio (chronic)) show that the level of homelessness is very similar across the four cities. It is clear that there is less chronic homelessness in Montréal than there is in other cities, but the ratio is overall highly comparable.

The results of the counts, which relate to chronic homelessness, are interesting. In Vancouver, 45% of the people who were found to be experiencing homelessness in Vancouver were chronically homeless; whereas in Montréal, 60% of the people who were found on the night of the count were chronically homeless. In other words, there are more people who are cyclically or transitionally homeless in Vancouver (and Calgary) than there are in Montreal (and Toronto).

This is an interesting finding; one way of understanding this difference in the make-up of the homeless population (as identified at a particular point in time) is by understanding differences in provincial social policies. Research comparing homelessness in Denmark and New York has found that the majority of people who experience homelessness in Copenhagen are chronically homeless and suffer from a number of barriers to housing, such as addictions and mental health problems. In New York, poverty is the main cause for the majority of the homeless population.

*This is a profound statement on the welfare state.*

Denmark’s welfare state is often said to be of the “social-democratic” model; social policies and benefits tend to be universal, there is a high threshold of poverty and taxes are highly redistributive. There are, of course, problems with the Danish welfare state, including its difficulty adapting to massive migration throughout Europe. But the welfare state is generally very strong and effective. In New York, and throughout the United States, the welfare state is “liberal”. Social policies and benefits are highly targeted, the threshold for poverty is very low (people on social assistance benefits, for example, live well below the poverty line, no matter which definition of poverty is used), and taxes are not very redistributive.

*This has implications for the profile of homelessness. In Denmark and Copenhagen, the welfare state is so strong that people do not fall into homelessness because of poverty.*

In New York, poverty is one of if not the leading cause of homelessness; the welfare state is so weak and
patchy that it does not effectively protect poor people from the social risk of homelessness. Some might say we see a similar trend, though less exaggerated, in Canada. It is fair to say that in Alberta, throughout the 1990s and early 2000s, the dominant social policy was “get a job” (according to Donna Wood’s chapter in the book Welfare Reform in Canada). For many in Alberta, and Calgary in particular, the social safety net was not strong enough to keep them from falling into homelessness. Even in 2014, in Calgary and in Vancouver, more than half of those found on the night of a homeless count were not chronically homeless. One might assume that their homelessness was transitional or episodic; research and the expertise from community groups emphasizes that for these people who experience homelessness for a short period of time, poverty is a main driver of homelessness.

In Quebec, where the government has invested much more in housing and poverty reduction, fewer people experience homelessness for a short amount of time. One might conclude that this is because the welfare state is better able to protect people from falling into homelessness.

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*Investments in housing and poverty reduction, combined with a lower cost of living (especially relating to housing) have meant that people are not as likely to fall into homelessness simply because of poverty in Montreal.*

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**Chronic homelessness**

When we look just at those experiencing chronic homelessness, however, the numbers become much more comparable. In other words, there are very similar levels of chronic homelessness in all four cities. What explains the similar level of homelessness across these very different cities? Provincial social policies and interventions vary greatly across these four provinces, as has been noted above. Québec and BC have built more affordable and social housing than other provinces, for example, and Québec in particularly has been very active in the area of poverty.

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*Yet it is clear that, despite these differences, there is a significant gap in the safety net in each of the provinces. The most obvious manifestation of this gap is chronic homelessness.*

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According to experts from the community milieu, chronic homelessness is a very specific and complex social problem, and responding effectively to it necessitates a targeted, skilled, specific intervention. Up until very recently, provincial governments, despite efforts to reduce poverty, have not responded effectively to the specific issue of chronic homelessness. Thus, despite the differences in social policies, chronic homelessness is very stable across the country. The next two blogs explore these gaps in the social safety net in greater detail, first looking at social assistance benefit levels and secondly looking at the specific poverty reduction efforts in Québec.
Poverty in Quebec, Part 2: Social Assistance

Depending on what social policy you are looking at, the province of Québec either looks very similar to other Canadian provinces, or looks remarkably different. The social assistance system in Québec – including benefit levels, eligibility requirements, and the evolution of the system over time – is very similar to other Canadian provinces. Québec is among the most generous provinces when it comes to social assistance offered to single people and families, but the Atlantic provinces are in fact more generous (see pages 43-44 Tweddle, Battle and Torjman 2015). Provincial actions on poverty, however, both in terms of substance and in the way in which they were developed and enacted, make the province stand out from the rest of the Canadian provinces. This second article looks at the social assistance system in Quebec as it compares to the three other large provinces; the third and final article will look more specifically at actions to reduce poverty.

Social assistance is one of the most important policies in terms of lifting people out of poverty (or for trapping them in poverty, as may well be the case).

Like many social policies, including health, education and housing, social assistance is the responsibility of provincial governments. (Pensions and employment insurance are two social policies that are the federal government’s responsibility, as outlined in the Canadian Constitution.) This means we might expect to see differences from one province to another; provinces have, of course, different histories and politics, and these differences can at times be seen in the different social policies that are adopted.

The financial support given through social assistance programs in Québec is higher than it is in the other large Canadian provinces, notably for families, but it remains well below the poverty line. When Québec is compared with all ten Canadian provinces, it remains among the most generous, but smaller Atlantic provinces are more generous in the social assistance rates they offer.

The accepted measure of poverty in Québec, and increasingly throughout Canada, is the Market Basket Measure (MBM).

The MBM measures the cost of a certain “basket” of goods, including food, clothing, shelter, and transportation, that a person needs in order to meet his or her basic needs (Centre d’étude sur la pauvreté et l’exclusion 2009). By considering shelter and other localized costs, the MBM allows for a more accurate comparison of poverty levels across provinces. The cost of living in lower in Montréal than it is in Vancouver, for example, and the MBM takes this into consideration when determining how many people live in poverty in those two cities.

Québec is also similar to other provinces in that it distinguishes between social assistance recipients (see Alain Noël’s chapter in Welfare Reform in Canada). There are different categories of assistance offered to people based on their ability to work; people who are unable to work due to a disability or a severe barrier receive more generous benefits. The most generous social assistance program in Canada is offered in Alberta to people who are severely disabled. People receiving this category of social assistance receive
97.1% of the MBM (in 2014); this is the only category in the country for which the level of assistance offered is nearly equal to the MBM. (In 2013, people receiving AISH benefits received 102% of the MBM.)

As has been the case in the other Canadian provinces, single employable people (the majority of the homeless population) in Québec have seen a stable decline in their assistance benefit rates ever since 1993.

There have been small bumps in assistance rates in certain years, such as in 1999 and 2004, but overall there is a steady downward trend in assistance rates beginning in the mid-1990s, reaching a low of $7,636 for a single person in Québec per year in 2008 (Tweddle et al., 2013). Families with children, both single and two parent families also saw a decline in assistance rates beginning in 1993, but their assistance levels began to increase in 2003/04. This increase coincided with the introduction of Québec’s plan to reduce poverty, **Concilier liberté et justice sociale : un défi pour l’avenir**, which, as the third blog in this series highlights, prioritized lifting families and children out of poverty.

As was the case in most provinces, assistance for people with a disability is both more generous and more stable throughout this period than it was for single people, averaging around $11,500 per year.

The income support offered to a single employable person in Québec is approximately 49% of the MBM. Surprisingly, this is high compared to what is offered for single people in other large provinces in Canada; in BC, Alberta and Ontario, single employable people receive less than 42% of the MBM. Even though benefits are more generous for people with disabilities than they are for people who are able to work, the benefit level for people with a disability are, in all provinces except Alberta, well below the poverty line. People with disabilities in Québec receive 70.6% of the MBM. Families with children fair a little better; a couple with two children receives 72.6% and a single parent with one child receives 79.1% of the MBM.

With the exception of Alberta’s AISH program for people with disabilities, which offers nearly 100% of the MBM, support offered to single parents with one child in Québec is the highest type of assistance offered in the country, at 79.1% (all numbers taken from Tweddle et al., 2014).

The majority of these benefits declined since 2013; for example, a single parent with one child received 80.5% of the MBM in 2013, but only received 79.1% in 2014. This is perhaps because assistance rates are not always indexed, meaning they do not keep up with the cost of inflation. When they are not indexed, social assistance benefits become less valuable over time.
Québec’s social assistance benefit levels are more generous than they are in other big provinces in Canada, notably Alberta, BC, and Ontario. However, Québec is by no means the most generous province in the federation when all ten are considered; the Atlantic provinces offer more generous social assistance support. The assistance levels offered to all recipient groups (families, single people) are well below the poverty line as defined by the MBM in Québec. The least generous category is for single people, who make up the majority of chronically homeless people.

Though Québec’s social safety net is in many ways more generous and universal than the other provinces, a single person on social assistance does not even have half the support needed to meet his or her basic needs. With such low levels of poverty, it is no wonder people find themselves trapped in poverty.
Poverty in Quebec, Part 3: Poverty Reduction

With the exception of British Columbia, all Canadian provinces have (or are developing) some type of poverty reduction strategy. The strategies are not always ambitious or successful, but they indicate a political commitment at the provincial level to the issue of poverty.

Québec has arguably been the most ambitious of the Canadian provinces in the area of poverty reduction, in part because of the law against poverty introduced in the National Assembly in 2002.

The law against poverty was unique in its content, which ambitiously sought to make Québec a place with the lowest levels of poverty in the developed world, but also in the way it was developed. In a truly bottom-up process, hundreds of community consultations and street parliaments led to the creation of a draft law against poverty. The Collectif pour un Québec sans pauvreté that led the process worked with a lawyer to ensure that the language of the bill was legally correct. In the year 2000, 2000 people symbolically adopted the draft law in front of the National Assembly in Québec City. Subsequently, a committee of three members of the national assembly (MNAs), from each of the three major parties, sponsored the introduction of the law in the national assembly.

The law against poverty passed with unanimity.

It took some time before the National Assembly finally implemented a plan to fight against homelessness. In 2004, two years after adopting of the law against poverty, the government of Québec (now a Liberal government) adopted an Action Plan to fight against poverty and social exclusion. The foundation of the Action Plan includes the principles of economic security and social inclusion through employment.

The plan was accompanied by $2.5 billion in funding (not all of which was “new” funding), which was used to increase the income offered to low-income families and individuals and to invest in social housing. Some social assistance benefits were indexed and supplemented in various ways, such as through a higher minimum wage and child assistance measures. A work premium was introduced, which would “make work more profitable” according to the government. For example, if a single person earned $5,000 per year, the government provided a work premium of $182; if the person’s income doubled $10,000, the work premium would more than double to $481, thus encouraging people to work more to get a greater supplement. The premium is much higher for single-parent families with one or more children. Also introduced was a universal Child Assistance measure targeted at low-income families.

The 2004 plan ended in 2009. A new plan to fight poverty was introduced in 2010, which was accompanied with a budget of $7 billion over five years ($1.3 billion of which was new funding). Some measures from the old plan, such as the work premium and the child assistance measure, were renewed in the 2010 plan; new measures, such as a Solidarity Tax Credit, were also introduced.
Government reports and academic analysis have indicated that these efforts to reduce poverty were most successful in lifting families (single or two-parent) with children out of poverty.

Single people who are able to work did not fare so well, however. A 2014 Government of Québec report provides excellent and nuanced research on the results of the policy to fight poverty ten years after it was originally implemented. According to the report, prior to the plan against poverty’s implementation in 2003, there were around 747,000 people who were low-income according to the MBM. Of these 747,000 people, 36.9% were single people, 19% were couples with children, 19.7% were single parent families. The remaining 24.4% were other types of families (couples without children or intergenerational families for example).

By 2013, the number of low-income people throughout the province rose to 842,000 (though the overall population of Quebec also rose by over 500,000 people between 2003 and 2013). 43% of low-income people were single people, compared to 36.9% in 2003. All other family types had gone down in terms of the percentage (by 1-2%) of the overall low-income population.

In other words, the province was able to lift some families and children out of poverty, but during this timeframe there were more single people experiencing poverty than before.

Most of the measures to reduce poverty were aimed at families with children, and indeed the provincial government’s efforts have been successful at lifting many families and children out of poverty. In 2004, social assistance benefit levels went up for these family types, and other measures were put in place to both supplement the income of families with children and to help parents get back into the labour market. There were efforts to help single people, but they were not as aggressive as they were for families. As a result, 10 years after the implementation of the poverty reduction strategy, poverty has actually increased among single people, the group of people most likely to experience homelessness.

In a Centre d’étude sur la pauvreté et l’exclusion (CEPE) study of the state of poverty in Québec in 2013, former CEPE president Alain Noël writes that Québec has made significant progress in reducing poverty among families since the introduction of the law against poverty. Nearing the end of the second plan to fight poverty, he writes that it is an opportune time to think about the next steps. Thinking ahead, he asks if it is possible to accomplish for single people what has been accomplished for families.

The province’s policies have undoubtedly been successful at preventing some people from becoming homeless; the first article in this series noted that people are less likely to experience homeless just because of poverty in Montréal than they are in Calgary or Vancouver. Despite the significant efforts that have been made to reduce poverty in Québec, arguably more aggressive and ambitious than any other province in Canada, the people who benefited most from the plan were families with children. This is certainly an important component of any plan to reduce poverty, and Québec’s results have been impressive in this respect.
But those benefits did not equally fall, and single people, the “family type” that is most likely to experience chronic homelessness, did not fare as well as others.

This is one of the reasons why, despite different provincial efforts to reduce poverty, chronic homelessness is so comparable across such very different cities and provinces.