



# Working Poverty in Metro Vancouver

## Summary

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JUNE 2016



IN A PROVINCE AS RICH AS BC, and in an area as economically diverse as Metro Vancouver, the contradiction between massive wealth and rising economic insecurity is particularly stark.

Not only are deep poverty and homelessness highly visible on the streets of Vancouver, hidden poverty and economic insecurity are serious problems across the region. Deep poverty is primarily a story of inadequate welfare rates, which remain stuck at levels far below what people need to survive. But the majority of British Columbians living in poverty do not rely on welfare. Fewer than 4 per cent of British Columbians receive social assistance at any given time, a small share of the more than 14 per cent of people living in poverty.

We are often told that the solution to poverty is for the poor to “get a job” or for various sectors to create more jobs, but the reality is that having a job is not a guaranteed path out of poverty. Increasingly, the story of poverty in BC is becoming a story of low-paid and precarious jobs. Many of the new jobs created since the 2008 recession have been part-time, temporary and low paid. Metro Vancouver’s booming economy relies on a large group of low-paid workers to provide security, catering, cleaning, administration and other services.

A recent study published by the Metcalf Foundation found that Metro Vancouver had the second-highest rate of working poverty of any major city in Canada in 2012, with a rate only slightly lower than Greater Toronto. This report digs deeper into the data from the Metcalf Foundation study, maps the extent of working poverty in Vancouver and its growth by neighbourhood, and puts forward recommendations for change.

## Working poverty is a serious issue in Metro Vancouver.

Canada's two richest cities, Greater Toronto and Metro Vancouver, have the highest working poverty rates in the country — 9.1 per cent and 8.7 per cent in 2012. They are outliers among other large urban areas, where working poverty rates are considerably lower (at or below Canada's average of 6.6 per cent). Worse still, Metro Vancouver and Greater Toronto's working poor face extremely high housing costs, which are not captured in these comparisons because this measure of poverty does not account for vastly different costs of living across the country.

Though this study focuses on Metro Vancouver, working poverty exists elsewhere in BC as well. Our analysis shows that 7.2 per cent of working-age British Columbians living outside of Metro Vancouver are working poor.

## Who are the working poor?

In Metro Vancouver in 2012:

- Just over half (54 per cent) of the working poor were married or living common law.
- 42 per cent had dependent children (32 per cent were living in couple families with children and 9 per cent were single parents).
- One in four (24 per cent) was between the ages of 18 and 29.
- The majority (61 per cent) were between the ages of 30 and 54, or what economists consider prime working age.
- 9 per cent received employment insurance (EI) benefits at some point during the year.

These numbers are similar across the entire province of BC.

In Metro Vancouver, single parents are the most likely to experience working poverty, followed closely by individuals living alone. A recent Statistics Canada study shows that the poverty rate among Vancouver immigrants who have been in Canada for fewer than 15 years continues to be double the rate of long-term immigrants and Canadian-born citizens. Poverty rates are even higher for very recent immigrants.

## Working poverty is a growing problem for all Metro Vancouver municipalities.

Working poverty is not confined to a few municipalities; it is a regional problem in Metro Vancouver. While the cities of Vancouver,

Surrey, Burnaby, Richmond and Coquitlam have some of the highest working poverty rates, a number of smaller municipalities like Bowen Island and North Vancouver also have high levels of working poverty. (Data are not available for the Musqueam and Squamish reserve lands.)

Worse still, working poverty has grown in most municipalities since 2006, with the largest increases occurring in suburban neighbourhoods in West Vancouver (15 per cent increase), Coquitlam (13 per cent), White Rock (15 per cent), Lions Bay (17 per cent) and District of North Vancouver (13 per cent). Even municipalities generally seen as wealthy have experienced increases in working poverty.

A look at working poverty by neighbourhood further underlines how widespread it is across Metro Vancouver. By 2012, fewer neighbourhoods had low working poverty rates (less than 5 per cent) than in 2006, and many more neighbourhoods saw rates rise above 10 per cent. The concentration of neighbourhoods with high levels of working poverty increased most notably in Surrey and downtown Vancouver. In addition, Langley, Coquitlam and West Vancouver—which had previously had lower working poverty rates—had neighbourhoods with rates higher than 10 per cent by 2012.

## Working poverty can be eliminated.

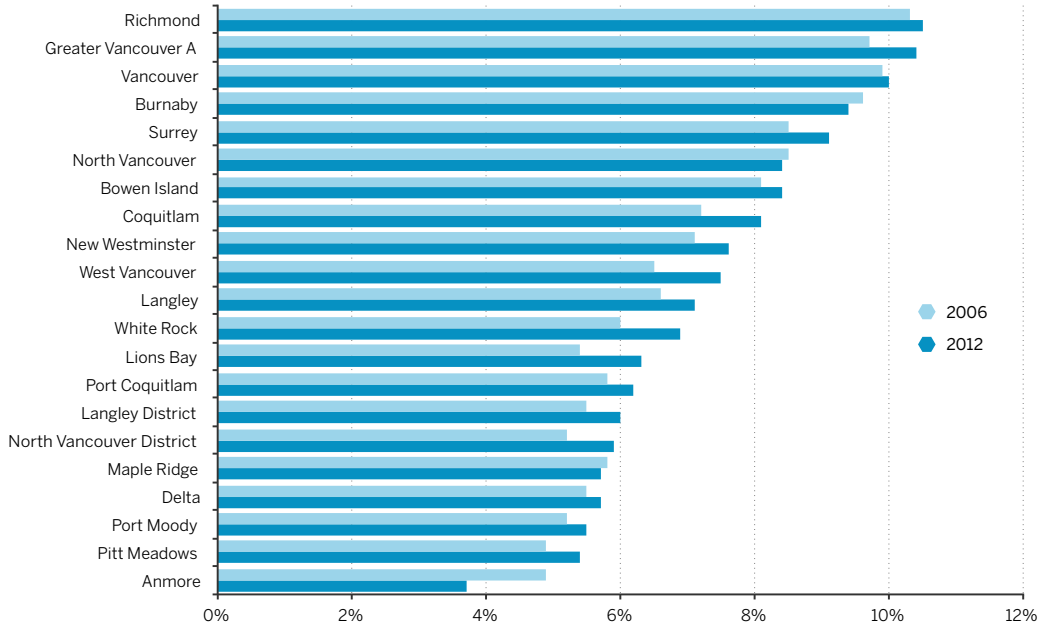
Working poverty can be reduced and eventually eliminated with a combination of labour market reforms, more generous income supports, and better public services. The report makes detailed policy recommendations for how this can be achieved, including action to:

- increase the minimum wage;
- strengthen employment standards;
- increase access to safe, affordable housing;
- create a high quality, public child care program;
- make training and education more accessible to low-income earners;
- reform employment insurance;
- enhance the Working Income Tax Benefit;
- make all levels of government living wage employers.

Every level of government has a role to play, but the provincial government is uniquely positioned to take the lead. In the end, working poverty is only a part of the complex story of poverty in BC. To improve the lives of all poor British Columbians, we need a comprehensive poverty reduction plan with targets and timelines.

Reducing poverty will help not just those who are poor. Better public services and income supports enhance quality of life for all British Columbians and build more inclusive, vibrant and healthy communities—communities we can all be proud to live in.

**Working poverty by municipality in Metro Vancouver, 2006 and 2012.**  
 Percentage of working poor individuals among the working-age population.

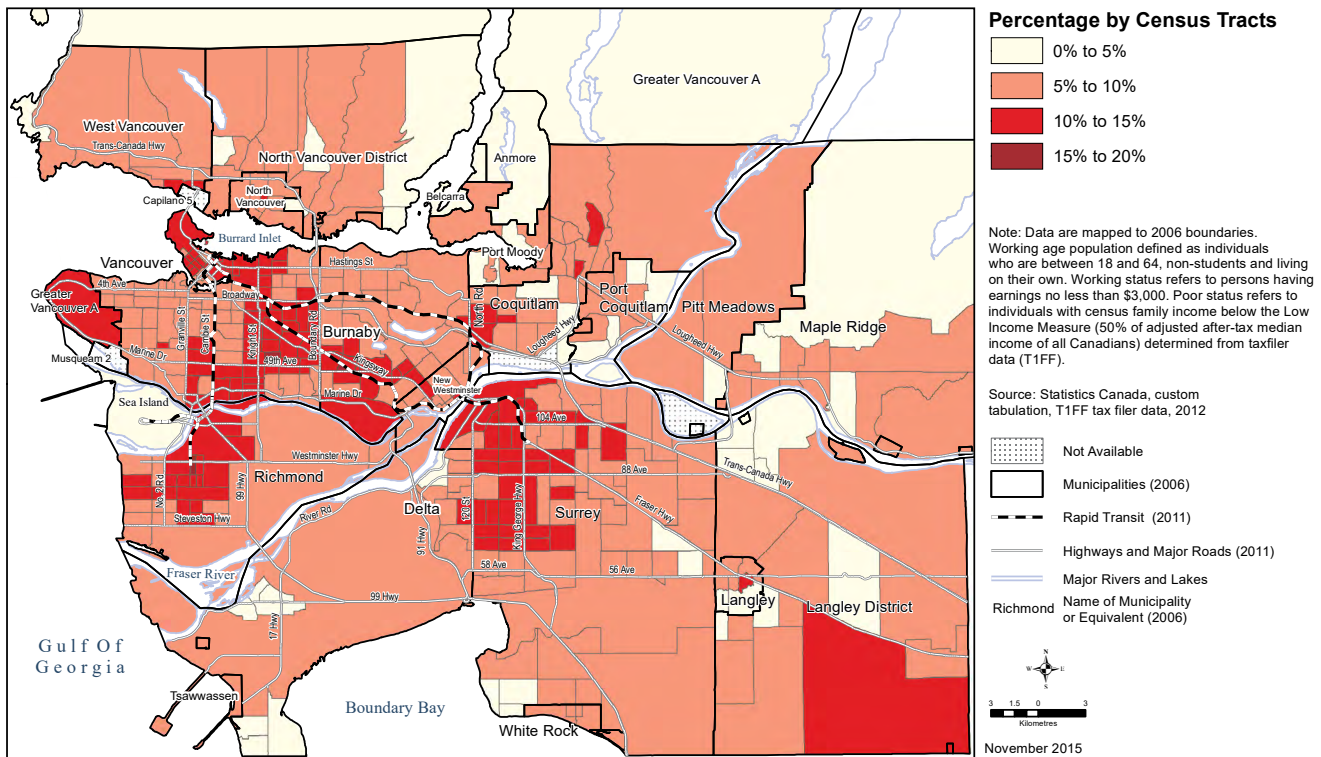


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Source: Statistics Canada, custom tabulation, T1FF tax filer data.

Note: Greater Vancouver A, also known as Electoral Area A, is an unincorporated area that includes UBC, the University Endowment Lands and several sparsely populated areas of Metro Vancouver.

**Working poverty rate by neighbourhood, Metro Vancouver, 2012.**



## What is working poverty?

This study uses the Metcalf Foundation's definition of working poverty which identifies an individual as a member of the working poor if they:

- are between the ages of 18 and 64 (working age),
- live in a family with after-tax income below Statistics Canada's Low Income Measure (LIM),
- earn at least \$3,000 per year (the minimum working income required to qualify for the federal Working Income Tax Benefit),
- are not a student and
- live independently (alone or with a spouse and/or dependent children but not with parents or other relatives).

The working poverty rate is defined as the share of all working-age individuals who are working poor.

## About the author

IGLIKA IVANOVA is a senior economist and the Public Interest Researcher at the CCPA-BC. She researches and writes on issues of government finance and how budget decisions relate to the accessibility and quality of public services. She also studies labour market developments and in particular, trends in income inequality and low wage work. Igliska's recent CCPA-BC publications include *Working for a Living Wage 2016* and *Solving BC's Affordability Crisis in Child Care: Financing the \$10 a Day Plan*.

Thanks to the United Way of the Lower Mainland for their financial support of this research project.

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Layout: Paula Grasdal  
ISBN: 978-1-77125-293-5



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The BC Poverty Reduction Coalition is a broad-based network that includes community and non-profit groups, faith groups, health organizations, First Nations and Aboriginal organizations, businesses, labour unions, and social policy groups. We have come together around a campaign aimed at seeing the introduction of a bold and comprehensive poverty reduction plan from the government of British Columbia that would include legislated targets and timelines to significantly reduce poverty and homelessness. We seek to improve the health and well-being of all British Columbians. We have over 50 Coalition Members and almost 400 supporting organizations that have joined the call for a poverty reduction plan.

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