



## FACT SHEET MOVING WOMEN OUT OF POVERTY

At the Canadian Women's Foundation, we want every low-income woman to be given the chance to move herself and her children out of poverty.

We help women in Canada to move out of poverty by funding life-changing programs designed especially for them. Through these unique programs, they can learn a skilled trade, start a small business, or get work experience.

### HERE ARE SOME COMMONLY ASKED QUESTIONS ABOUT WOMEN IN POVERTY IN CANADA:

#### 1. Canada is a rich country—is poverty really a problem?

- Once the full impact of the recent global economic crisis is calculated, it is estimated that as many as 4.8 million Canadians will be poor.<sup>1</sup> If you gathered this many people in one place—men, women and children—you would create a city twice the size of Toronto.<sup>2</sup>
- On average, 9% of people living in Canada are poor. However, some groups are much more likely to be poor than others:
  - Aboriginal women (First Nations, Métis, Inuit)—36%<sup>3</sup>
  - Visible minority women—35%<sup>4</sup>
  - Women with disabilities—26%<sup>5</sup>
  - Single parent mothers—21%<sup>6</sup> (7% of single parent fathers are poor<sup>7</sup>)
  - Single senior women—14%<sup>8</sup>
- Some groups have appallingly high rates of poverty: In Manitoba, almost 70% of Aboriginal children under the age of six are poor.<sup>9</sup>
- Compared to other developed countries, Canada's poverty rate is high—we rank 20<sup>th</sup> out of 31 OECD countries.<sup>10</sup> High poverty makes a country less competitive, its people less healthy, and its society less equal.

#### 2. Why are so many people in Canada poor?

- In Canada, people may be poor for many reasons:
  - They don't have enough skills or education to get a good job, one where they can earn enough to live above the poverty line.
  - There are not enough good jobs in their community.
  - They have lost their job and can't find another.
  - They have a physical or mental disability that limits their ability to work.

- They have an accident or develop an illness and can no longer work.
- They can't find a good job because of workplace discrimination. Immigrants often have trouble finding work because of language barriers and the refusal of many employers to recognize education or experience from outside Canada, no matter how impressive.
- They live on welfare. People who rely on social assistance live in poverty.<sup>11</sup> For example, a woman raising one child on her own could receive as little as \$14,829 per year in welfare benefits. That's only \$1,235 per month. After paying rent, she would have very little left to buy food, clothing, bus tickets, school supplies, and other essentials.

### 3. How is poverty measured in Canada?

- Poverty can be described as ABSOLUTE or RELATIVE:
  - Absolute poverty describes **deprivation**, a situation where a person can't afford basic needs such as adequate food, shelter, clothing, and transportation. Our research shows that 38% of the women who attend our economic development programs cannot meet their family's basic needs.<sup>12</sup>
  - Relative poverty describes **inequality**, a situation where a person is noticeably worse off than most people in his or her community. Many low income families can barely afford to pay the rent and put food on the table, let alone pay for dental care, eyeglasses, school outings, sports equipment for the kids, Internet access, or prescription drugs. These are things that most people in Canada take for granted and would consider necessities.<sup>13</sup>
- Our statistics are based upon Low-Income Cut Offs (LICO) as determined by Statistics Canada.<sup>14</sup> LICOs measure relative poverty and inequality.
- We focus on inequality because a large gap between rich and poor can have a devastating impact on a nation's overall economic health. At the 2011 World Economic Forum, senior economists called the current increase in income inequality the most serious challenge facing the world. It not only "exacerbates political instability" but can also cause economic crises: inequality peaked in 1929 and again in 2007, directly before the two worst economic meltdowns of the past 100 years.<sup>15</sup>

### 4. Why should we focus on women and poverty, rather than men and poverty?

- Helping poor women helps poor children.
  - When children are poor, it's usually because their mother is poor. Eighty percent of all lone-parent families are headed by women. This adds up to over 1 million families, and they are among the poorest in the country. Single moms have a net worth of only about \$17,000, while single dads have about \$80,000.<sup>16</sup> (Net worth is the total value of possessions such as a car, furniture, real estate, savings, stocks, RRSPs, etc.)
  - Poverty makes children sick. Poor children often start out as underweight babies, which sets them up for future health problems. As they grow up, kids who live in poverty suffer from higher rates of asthma, diabetes, mental health issues—even heart disease.
  - Poor children have more speech and hearing problems, and score lower on cognitive tests. Not surprisingly, they are also more likely to struggle in school. Research shows that poor children have "reduced motivation to learn, delayed cognitive development, lower achievement, less participation in extra-curricular activities, lower career aspirations, interrupted school attendance, lower university attendance, an increased risk of illiteracy, and higher drop-out rates."<sup>17</sup>

- Poverty endangers women's safety.
  - Women who leave a partner to raise children on their own are more than five times likely to live in poverty than if they stay with their partner.<sup>18</sup>
  - There's plenty of evidence showing abused women sometimes stay in abusive relationships because they know that leaving will plunge themselves and their children into poverty.<sup>19</sup>

## 5. Why are women more likely to be poor?

- Women are more likely to be poor for two main reasons:
  1. **Women spend more time doing unpaid work, leaving less time for paid work.**
    - Each day, men and women work about the same number of hours, but women do more unpaid work (housework, childcare, meal preparation, eldercare, etc.)<sup>20</sup> Women do about 4.2 hours a day doing unpaid work, while men do about 2.2 hours.<sup>21</sup> Stay-at-home dads do less childcare (under 1.6 hours per day) than stay-at-home moms (3.1 hours per day).<sup>22</sup>
    - In addition to doing this domestic work, 70% of women with children under the age of six also work outside the home. Not surprisingly, women are much more likely than men to lose time from their paid work because of family responsibilities.<sup>23</sup>
    - In order to juggle their domestic responsibilities, many women choose part-time, seasonal, contract, or temporary jobs. Unfortunately, most of these jobs are low paid, with no security, few opportunities for advancement, and no health benefits.
    - 70% of part-time workers<sup>24</sup> and 66% of minimum wage earners are female.<sup>25</sup>
    - Most poor women in Canada are working, but can't earn enough to lift themselves out of poverty because they are clustered in these low paid and precarious jobs.<sup>26</sup>
    - Canada's lack of affordable childcare—and the lack of workplace policies such as flex-time and caregiver leave—often forces women into career choices that severely limit their earning power. That's why many women refuse overtime and promotions, and select careers that promise to be 'family-friendly.' Women's domestic responsibilities also make it harder for them to return to school or attend training sessions that could advance their career.
    - Women who interrupt their career to care for children or other family members have much lower earnings: in one study, women aged forty who had interrupted their careers for at least three years for maternity leave were earning about 30% less than women with no children.<sup>27</sup>
    - The double-duty demands of home and workplace force many women to sacrifice their long-term economic security. This is a high price to pay for being a mother.
  2. **Women face a gender wage gap.**
    - Women who work full-time earn about 71 cents for every dollar earned by men.<sup>28</sup>
    - Some people argue that this gap can be explained by the fact that women can't or won't work as many hours as men. However, this wage gap persists even when hourly wages are compared: women earn an average of \$17.96 per hour compared to \$21.43 for men, meaning that women earn 83.8% of the male hourly wage.<sup>29</sup>
    - The wage gap also persists even when women have the same education and experience as men. Although more women graduate from university, they are not earning as much as men. Female graduates earn an average of \$62,800, males earn \$91,800.<sup>30</sup>
    - Part of the problem is that jobs that have been traditionally done by women pay less than traditional male jobs. This is true "regardless of the value of the work to the employer or

the consumer."<sup>31</sup> The more a job is considered 'women's work,' the less it pays.

- There is a perception that some traditionally male-dominated trades deter women from entering them: 53% of Canadians believe that women are deterred from becoming a construction worker, 50% believe women are deterred from becoming a heavy equipment operator, and 47% believe women are deterred from becoming mechanics.<sup>32</sup>

## 6. Is the earning gap between men and women really that significant?

- Since women still shoulder most of the domestic load and still face wage discrimination, it's not surprising that - over their lifetime - they earn much less than men.
- In 2007, the estimated average lifetime earnings for men was \$803,000. On average, women earn about 65% of that, or \$519,600. While women's lifetime earnings are higher now than in the 1970s, given the stubbornness of the current wage gap it seems unlikely that women's average lifetime earnings will ever equal men's.
- Women's lower earning power means they are at a high risk of falling into poverty if they have children and then become separated, divorced, or widowed. They are less able to save for their retirement and more likely to be poor in their senior years. And, as previously mentioned, the fear of falling into poverty means that some women stay in abusive relationships, despite the danger.
- It's true many women today pursue demanding careers and are very successful. However, the top female CEOs usually have partners who take on the bulk of the domestic work and childcare.<sup>33</sup>
- When women work outside the home and also do most of the domestic work, their long-term health suffers. According to Statistics Canada, women at every age are more likely than men to describe their days as 'quite a bit' or 'extremely' stressful.<sup>34</sup>
- There are now twice as many working women in Canada as there were thirty years ago.<sup>35</sup> This ranks among one of the most dramatic social changes of the last century. However, the failure of governments and employers to adequately respond to this new reality leaves women at an incredible disadvantage. Women "simply cannot participate in the labour market on an equal footing with men."<sup>36</sup> According to Human Resources Development Canada, "One of the major obstacles to gender equality has been the failure of workplace and social institutions, historically organized around the male breadwinner model of the family, to keep pace with changing labour market trends."<sup>37</sup>

## 7. What's the best way to help a woman get out of poverty?

- The Canadian Women's Foundation works to advance women's economic equality by bringing together community organizations to share research, skills, and the most promising practices for moving low-income women out of poverty.
- We also invest in community programs that help women to increase their income by launching a small business, learn a skilled trade, or work in a job placement.
- In the programs we fund, women learn to identify their strengths and skills and build upon them. This positive 'asset-based' approach avoids creating long-term dependency and builds self-confidence—an essential tool for starting the difficult journey out of poverty. Each woman receives customized just-in-time services, whether her immediate priority is food and shelter, budgeting skills, developing personal goals, creating a business plan, learning a trade, or being matched with a mentor. The goal is to help her to build a solid foundation that includes stable housing, childcare, employment skills, self-confidence, financial literacy, a strong social network, and a supportive family.
- Through this approach, we have helped thousands of women from across Canada to move out of

poverty. Along the way, each woman has contributed to Canada's economy and created a more secure future for herself and her children.

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## ENDNOTES

- <sup>1</sup> Up from 2008 when just over 3 million Canadians lived in poverty. From: [The Problem Of Poverty Post-Recession](#), Armine Yalnizyan, Canadian Centre for Policy Alternatives, August 2010, p. 3. Available: [www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/Poverty%20Post%20Recession.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/reports/docs/Poverty%20Post%20Recession.pdf)
- <sup>2</sup> At the time of the 2006 census, 2,503,281 people lived in the City of Toronto (comprised of the former municipalities of East York, Etobicoke, North York, Scarborough, Toronto, and York).
- <sup>3</sup> Based on 2000 data. [Women in Canada](#), p. 200.
- <sup>4</sup> *Ibid*, p. 254.
- <sup>5</sup> *Ibid*, p. 297.
- <sup>6</sup> "Economic Wellbeing," [Women in Canada: A Gender-based Statistical Report](#), Cara Williams, Statistics Canada, December 2010, p. 21. Available: <http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11388-eng.pdf>
- <sup>7</sup> *Ibid*, p. 21.
- <sup>8</sup> Based on 2007 data. [Women's Poverty and the Recession](#), Monica Townson, Canadian Centre for Policy Alternatives, September 2009, p. 11. Available: [http://www.policyalternatives.ca/sites/default/files/uploads/publications/National\\_Office\\_Pubs/2009/Womens\\_Poverty\\_in\\_the\\_Recession.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/National_Office_Pubs/2009/Womens_Poverty_in_the_Recession.pdf)
- <sup>9</sup> "Child poverty capital: 68% of aboriginal kids poor, report card states," Kevin Rollason, [Winnipeg Free Press](#), November 26, 2010. Available: <http://www.winnipegfreepress.com/local/child-poverty-capital-68-of-aboriginal-kids-poor-report-card-states-110781819.html>
- <sup>10</sup> [OECD Factbook 2010: Economic, Environmental and Social Statistics—Poverty Rates and Poverty Gaps](#), Organisation for Economic Co-operation and Development. Available: <http://www.oecd-ilibrary.org/sites/factbook-2010-en/11/02/02/11-02-02-g1.html?contentType=&itemId=/content/chapter/factbook-2010-89-en&containerItemid=/content/serial/18147364&accessItemids=&mimeType=text/html>
- <sup>11</sup> The only province in which welfare rates are above the poverty line is Newfoundland and Labrador, at \$19,297 per year for a lone parent with one child. [Welfare Incomes 2009 – Postcards](#), National Council on Welfare. Available: <http://www.ncw.gc.ca/l.3bd.2t.1i1shtml@-eng.jsp?lid=377&fid=1>
- <sup>12</sup> [Beyond Survival: Helping Women Transition Out of Poverty](#), Canadian Women's Foundation, 2010.
- <sup>13</sup> See for example: [The Impact of Poverty on the Health of Children and Youth](#), Rachel Singer, Faculty of Social Work, University of Toronto, April 2003, p. 11-12. Available: [http://www.campaign2000.ca/resources/letters/Poverty\\_healthbackgrounder.pdf](http://www.campaign2000.ca/resources/letters/Poverty_healthbackgrounder.pdf).
- <sup>14</sup> The statistics used in Question 1 are based upon Low-Income Cut Offs (LICO) from Statistics Canada. LICOs describe an income 'line' which changes according to the number of people in a family, the size of their community, and so on. Families living below LICO have to spend more of their income on necessities than the average family. While LICO was originally designed to measure relative poverty, however, some scholars argue that LICO should now be considered a measure of absolute poverty because its baseline calculation is no longer being updated. See: [Are Statistics Canada's Low-Income Cutoffs an absolute or relative poverty measure?](#), Andrew Mitchell and Richard Shillington, undated. Available: <http://www.canadiansocialresearch.net/licos.htm>
- <sup>15</sup> "Davos WEF 2011: Wealth inequality is the 'most serious challenge for the world,'" Philip Aldrick, [The Telegraph](#), January 26, 2011. Available: <http://www.telegraph.co.uk/finance/financetopics/davos/8283310/Davos-WEF-2011-Wealth-inequality-is-the-most-serious-challenge-for-the-world.html>
- <sup>16</sup> Refers to median net worth. [Women in Canada: A Gender-Based Statistical Report—Economic Well-Being](#), p. 23.
- <sup>17</sup> [Supporting Education: Building Canada - Child Poverty and Schools](#), Canadian Teacher's Federation, 2009, p. 1. Available: [http://www.ctf-fce.ca/publications/Briefs/FINAL\\_Hilldayleavebehind\\_eng.pdf](http://www.ctf-fce.ca/publications/Briefs/FINAL_Hilldayleavebehind_eng.pdf)
- <sup>18</sup> [Canadian women on their own are poorest of the poor](#), Monica Townson, Canadian Centre for Policy Alternatives, Sept. 8, 2009. Available: <http://www.policyalternatives.ca/publications/commentary/canadian-women-their-own-are-poorest-poor>
- <sup>19</sup> [Breaking the Links Between Poverty and Violence Against Women](#), by Jane Gurr et al, National Clearinghouse on Family Violence, Public Health Agency of Canada, 2008. Available: <http://www.phac-aspc.gc.ca/nfv-cnivf/pdfs/fem-brklnks-eng.pdf>
- <sup>20</sup> [Cooking, Caring And Volunteering: Unpaid Work Around The World](#), Veerle Miranda, Organisation for Economic Co-operation and Development, March 2011, p. 19. Available: <http://www.oecd.org/officialdocuments/displaydocumentpdf?cote=DELSA/ELSA/WD/SEM%282011%291&doclanguage=en>
- <sup>21</sup> "Women carry the load of unpaid work in rich nations," Derek Abma, [Vancouver Sun](#), March 5, 2011.
- <sup>22</sup> [Cooking, Caring And Volunteering: Unpaid Work Around The World](#), p. 19.
- <sup>23</sup> [Women in Canada](#), p. 109.
- <sup>24</sup> [Broad Investments: Counting Women in to the Federal Budget](#), YWCA Canada, Jan. 20, 2009, p. 5. Available: [ywcacanada.ca/data/publications/00000006.pdf](http://ywcacanada.ca/data/publications/00000006.pdf)
- <sup>25</sup> *Ibid*, p. 5.
- <sup>26</sup> See for example: [When Working Is Not Enough To Escape Poverty: An Analysis Of Canada's Working Poor](#), Dominique Fleury and Myriam Fortin, Policy Research Group, Human Resources and Social Development Canada, August 2006. Available: [http://tamarackcommunity.ca/downloads/vc/When\\_Work\\_Not\\_Enough.pdf](http://tamarackcommunity.ca/downloads/vc/When_Work_Not_Enough.pdf). See also: [Bringing Minimum Wages Above the Poverty Line](#), Stuart Murray and Hugh Mackenzie, Canadian Centre for Policy Alternatives, March 2007. Available: [http://www.policyalternatives.ca/sites/default/files/uploads/publications/National\\_Office\\_Pubs/2007/minimum\\_wage\\_above\\_poverty\\_line.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/National_Office_Pubs/2007/minimum_wage_above_poverty_line.pdf)
- <sup>27</sup> "Study: Earnings of women with and without children," [The Daily](#), Statistics Canada, March 24, 2009. Accessed April 8, 2010. Available: <http://www.statcan.gc.ca/daily-quotidien/090324/dq090324b-eng.htm>
- <sup>28</sup> "Women In Canada: Economic Well-Being," [The Daily](#), Statistics Canada, Dec.16, 2010. Available: [www.statcan.gc.ca/daily-quotidien/101216/dq101216c-eng.htm](http://www.statcan.gc.ca/daily-quotidien/101216/dq101216c-eng.htm)
- <sup>29</sup> [Women in the Workforce: Still a Long Way from Equality](#), Canadian Labour Congress, 2008, p. 10. Available: <http://www.equalpaycoalition.org/cms/upload/CLC%20womensequalityreportEn.pdf>
- <sup>30</sup> "Women in Canada: Economic Well-Being," [The Daily](#), December 16, 2010.
- <sup>31</sup> [What is Pay Equity?](#), Equal Pay Coalition. Available: [http://www.equalpaycoalition.org/what\\_is.php](http://www.equalpaycoalition.org/what_is.php)
- <sup>32</sup> [Angus Reid Omnibus Survey](#), Canadian Women's Foundation, 2012.

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<sup>33</sup> "Halving the Double Burden," Liz Bolshaw, Women at The Top, blog March 14, 2011. Available: <http://blogs.ft.com/women-at-the-top/2011/03/14/halving-the-double-burden/>

<sup>34</sup> Perceived life stress 2009, Statistics Canada. Available: <http://www.statcan.gc.ca/pub/82-625-x/2010002/article/11266-eng.htm>

<sup>35</sup> In 2006, almost 60% of all females over the age of 15 were in the paid workforce, compared to 68% of all males over the age of 15. From Women in Canada: A Gender-Based Statistical Report, Statistics Canada, 2006, Fifth Edition, p. 103.

<sup>36</sup> If Women Mattered: The Case for Federally Funded Women-Centred Community Economic Development, Women's Economic Council, 2010, p. 5.

<sup>37</sup> Gender Equality in the Labour Market, Lessons Learned, Final Report, Human Resources Development Canada, October 2002, p.1.