

Poverty & Inequality

What you need to know

- Poverty remains lower in Alberta among men and women of all ages compared to other provinces.
- Despite less economic opportunity, poverty has continued to decline due to federal income supports. The biggest decline is among children due to the Canada Child Benefit (CCB).
- Inequality was increasing for some time but has stabilized since the early 2000s.
- There was less inequality from pre-tax income in Alberta in 2019 than other large provinces. However, after-tax income inequality is about the same as the national average because there is less redistribution in Alberta.

Reason for optimism

Alberta has low rates of poverty and that has withstood the recent decline in jobs and opportunity.

Cause for concern

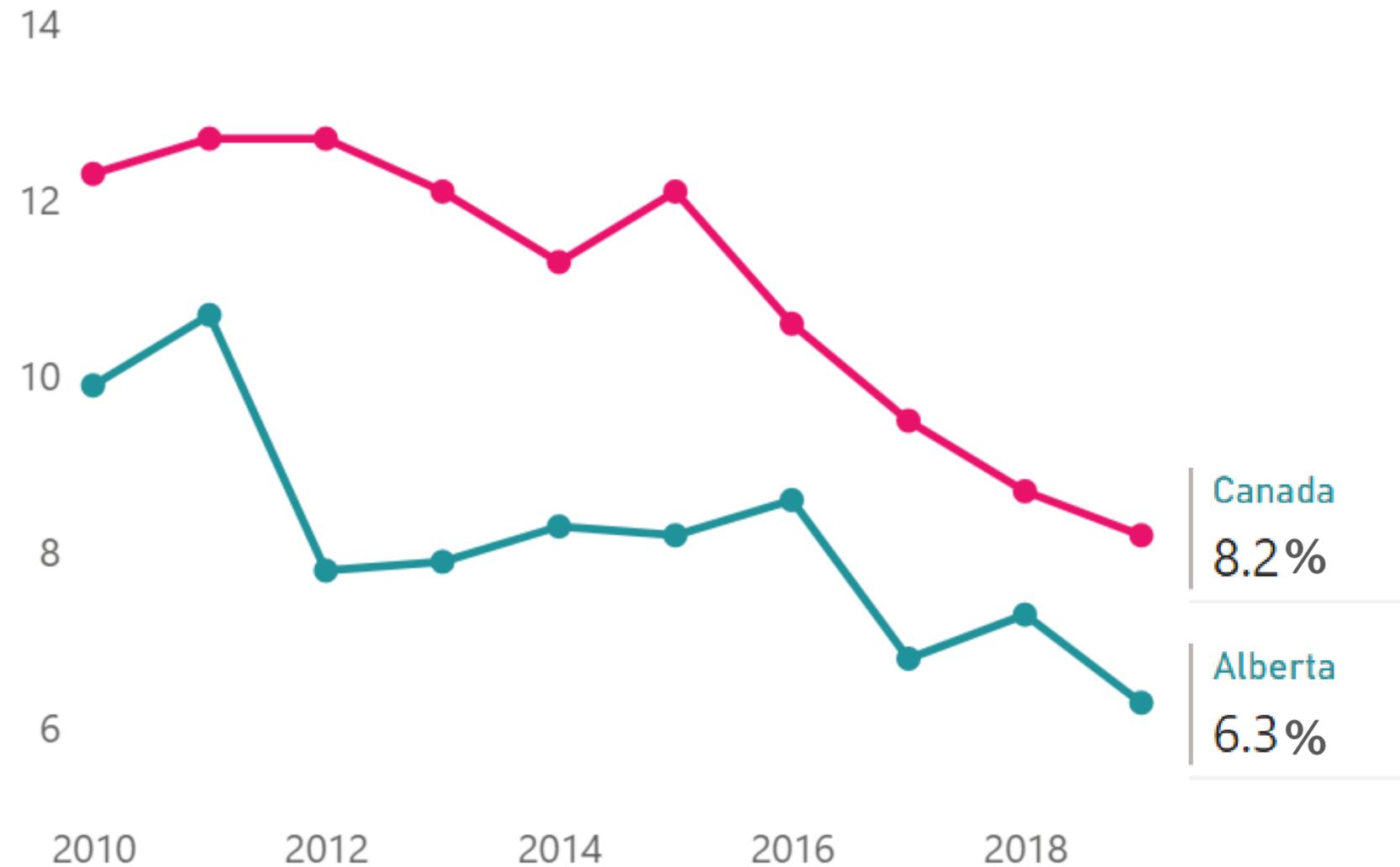
A decline in labour force participation of those without a college degree is a concerning trend, as is the fact that Albertans are having a harder time climbing the income ladder.



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Percentage of population considered low income, 2010 to 2019



- A relatively small and declining share of the Alberta population is considered to be low income, a full 2% pts below the national average.
- Poverty rates in Alberta are among the lowest for men and women of all ages for which data are available.
- From 2000 to 2014, low income individuals were most likely to climb the income ladder in Alberta. Likewise, Albertans of all levels of education did comparatively better than peers, but both are changing.
- Though opportunity has declined, poverty continues to fall across provinces due to income supports. The biggest decline is among children due to the Canada Child Benefit (CCB).
- Due to the degree of governmental support, COVID has not reversed this trend. However, if long-term unemployment persists, it could.

Source: Statistics Canada through 2019

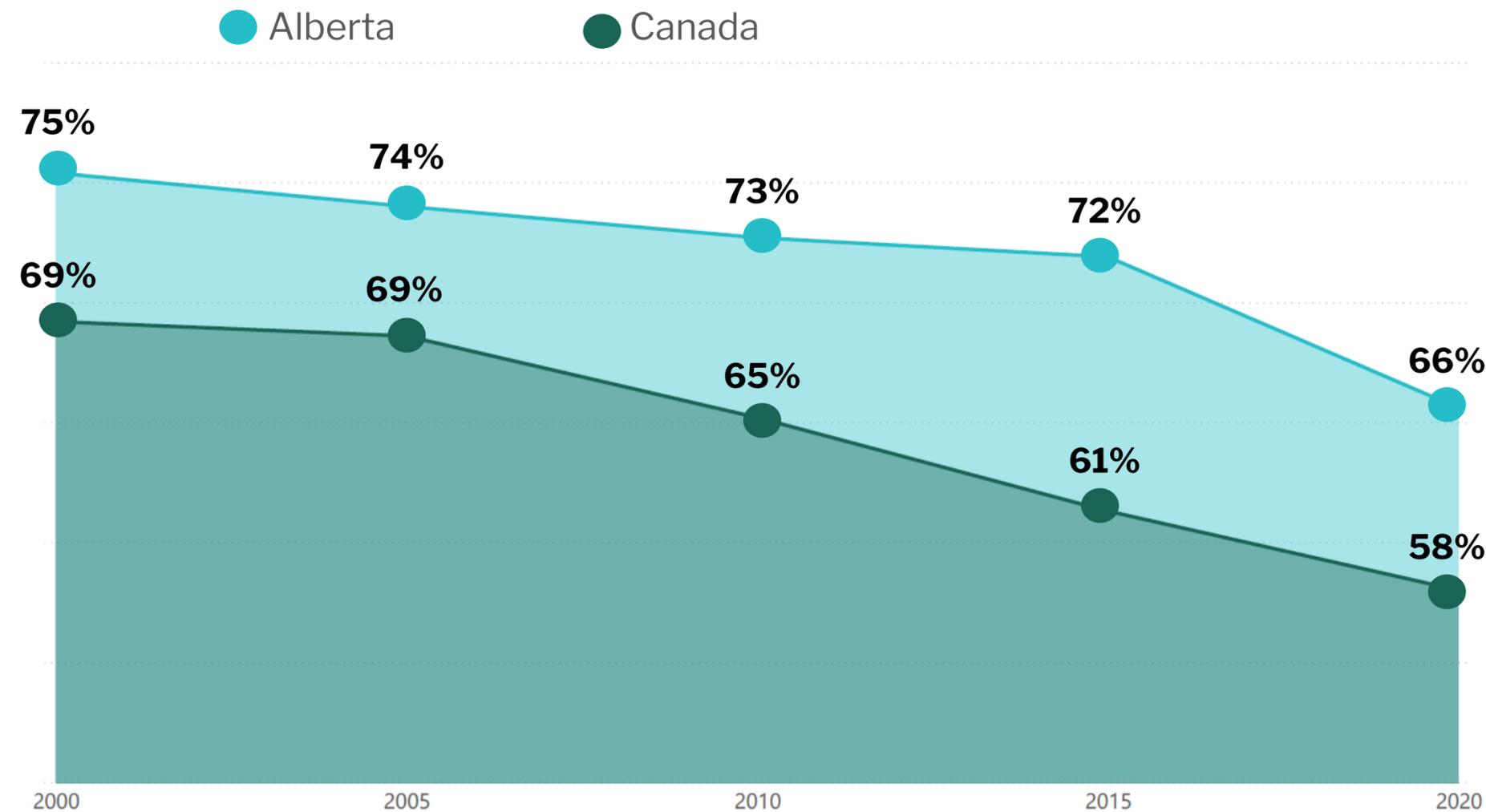


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LF participation of individuals with a high school degree, Jan 2000 to Jan 2020

Participation as of January for every five years of those aged 25+



- One concerning trend related to poverty is the decline in labour force participation of individuals with only a high school degree.
- Alberta limited this trend for a decade. As manufacturing jobs were lost across Canada, many oil and gas jobs without post-secondary requirements filled an important gap.
- Since 2015, those with less education are now being increasingly excluded.
- The participation rate for those 25 and over without a bachelor's degree has plummeted from 72% to 66%. Though still above the Canadian average, the pace of the decline is concerning.

Source: Statistics Canada. Seasonally adjusted

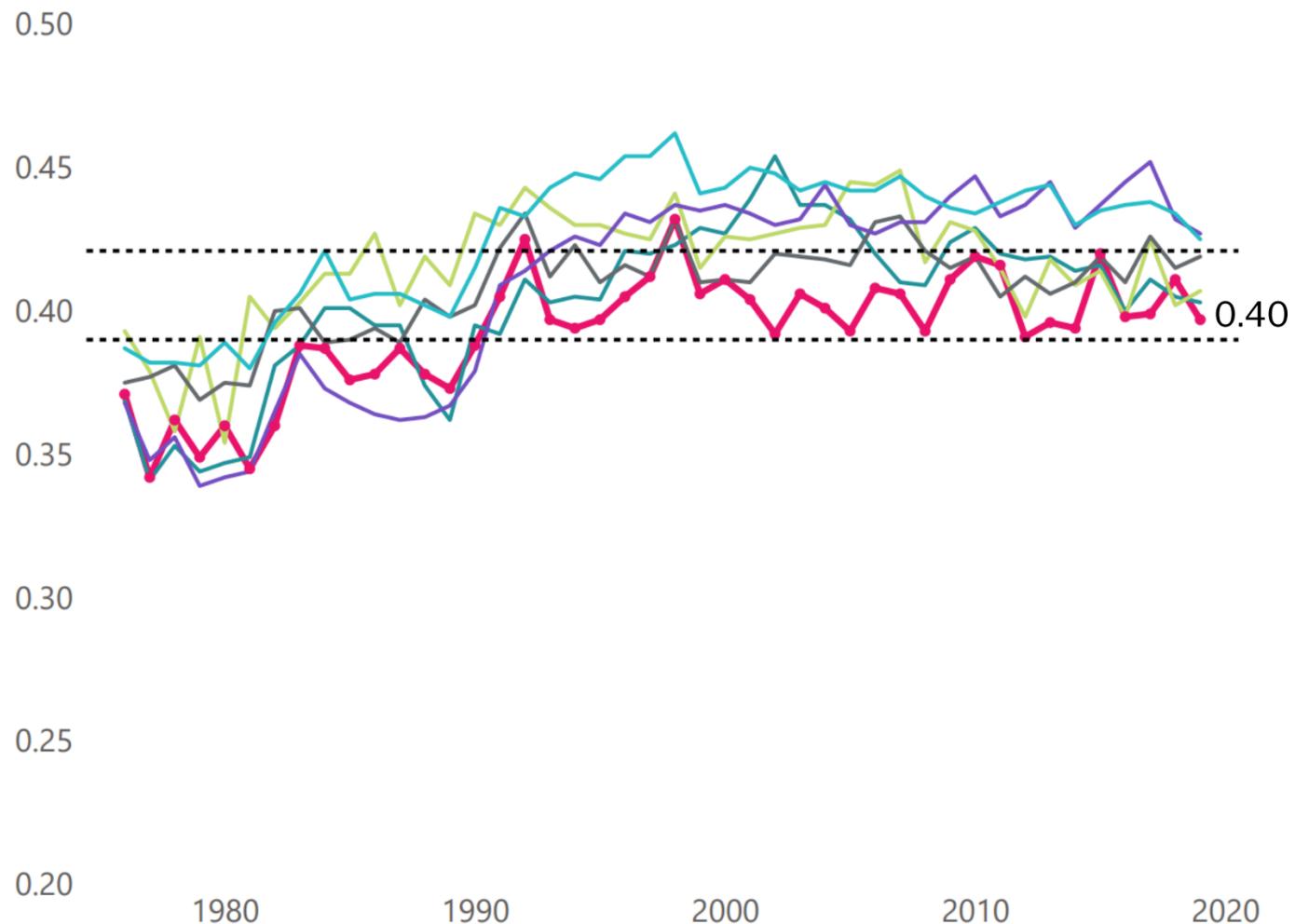


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Inequality of market income (GINI coefficient), 1976 to 2019

● Alberta ● British Columbia ● Saskatchewan ● Manitoba ● Ontario ● Quebec



- There was an increase in inequality from market income (i.e. income earned before taxes) from the 1980s to the 2000s across Canada but, since then, this trend has stalled.
- When accounting for taxes and income transfers, inequality has decreased. An increase in the highest marginal tax rate and the introduction of the CCB in 2015 has likely contributed to inequality being slightly less in 2019 provincially and nationally than it was in 2000.
- Pre-tax inequality in Alberta was less than all other large provinces as of 2019.
- Though government plays a lesser role in decreasing inequality in Alberta, after-tax inequality was similar to the national average.

Source: Statistics Canada

