



# Can we afford poverty?

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**British Columbia once again has** the highest rate of poverty in Canada, and the highest rate of child poverty for eight

years running. Can we afford poverty?

Living in poverty is hard. It means hunger, poor nutrition, substandard housing and it means making impossible choices like “pay the rent” or “feed the kids?”

Poverty takes an enormous toll on those who live with it. Yet governments balk at the price of poverty reduction policies. Investing in new social housing, increasing welfare rates and implementing universal access to childcare all cost money we believe we can't afford. Is that true?

Year after year we pay for the consequences of poverty while reducing poverty would pay off by lowering these costs and improving the consequences for all British Columbians.

“The Cost of Poverty in BC” is a report jointly published in July 2011 by the Canadian Centre for Policy Alternatives, the Public Health Association of BC and the Social Planning and Research Council of BC. Their research show that the cost of poverty exceeds the cost of doing something about it.

Poverty is consistently linked to poor health, lower literacy, poor school performance for children, more crime, and greater stress for family members. It is society as a whole that bears the costs of poverty, through higher public health care costs, increased policing and crime costs, lost productivity and foregone economic activity.

The report calculates that poverty represents direct costs to government alone of \$2.2 to \$2.3 billion annually. They calculate the cost to society at \$8.1 to \$9.2 billion. This figure includes extra healthcare costs from poverty at \$1.2B. BC's poorest 20 percent of families use a greater share of health care resources than any other group on the income ladder.

Crime costs an additional \$745M as people living in poverty are overrepresented in Canada's prison population; they are also more likely to be victims of crime. We can add in the lost economic activity from under- and unemployment of \$6.2 to \$7.3B, including low, poverty-inducing wages.

The estimates presented in the report are intentionally conservative, underestimating the costs of poverty in order to make the point most emphatic. For example, the costs of providing social services to people living in poverty was not included in the calculation!

The report's findings show that BC is spending between \$8.1 and \$9.2 billion per year to maintain the status quo of poverty. Implementing a comprehensive poverty reduction plan would cost less than half of that: \$3 to \$4 billion. On purely economic grounds, it makes more sense

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We can ask: “Can we afford it?” but the real question is: “Can we afford not to?”