

Intergenerational Poverty in Canada: Myth or reality?

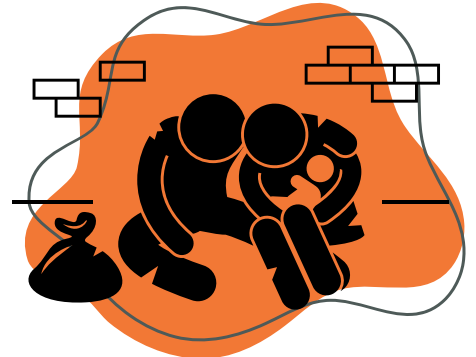


What is Intergenerational poverty?

In 2021, the poverty rate based on the Market Basket Measure (MBM) was 7.4%. This means about 2.8 million Canadians live with an income that can't afford them to have a basic standard of living. The rate increased to 9.0% in 2022 and is predicted to be 10.2% in 2023 (Statistics Canada, 2023).

Intergenerational or generational poverty is chronic poverty that spans from one generation to the next.

Situational poverty: acute, temporary and linked to a sudden crisis or loss of income.



The contribution of either to the overall Canadian poverty rate is unknown.

Why does it matter?

“Every child, in every society, has the right to a fair start in life... To the degree that any society is blind to this issue, it also fails to see its future self-interest. Because these disparities create lasting divisions – economic divisions and social divisions – that are not easily overcome. They can reverberate through generations at great cost to us all.” (UNICEF, 2016)

Tony Lake, UNICEF Executive Director

Canada's rankings in various child-related metrics compared to other industrialized nations

- Lifting Children Out of Poverty:
 - Rank: 11th out of 39 countries
- Child Well-being Outcomes (including mental well-being, physical health, and academic and social skills):
 - Rank: 30th out of 38 countries
- Overall Child Inequality:
 - Rank: 26th out of 35 countries

Leaving children in poverty is a choice.

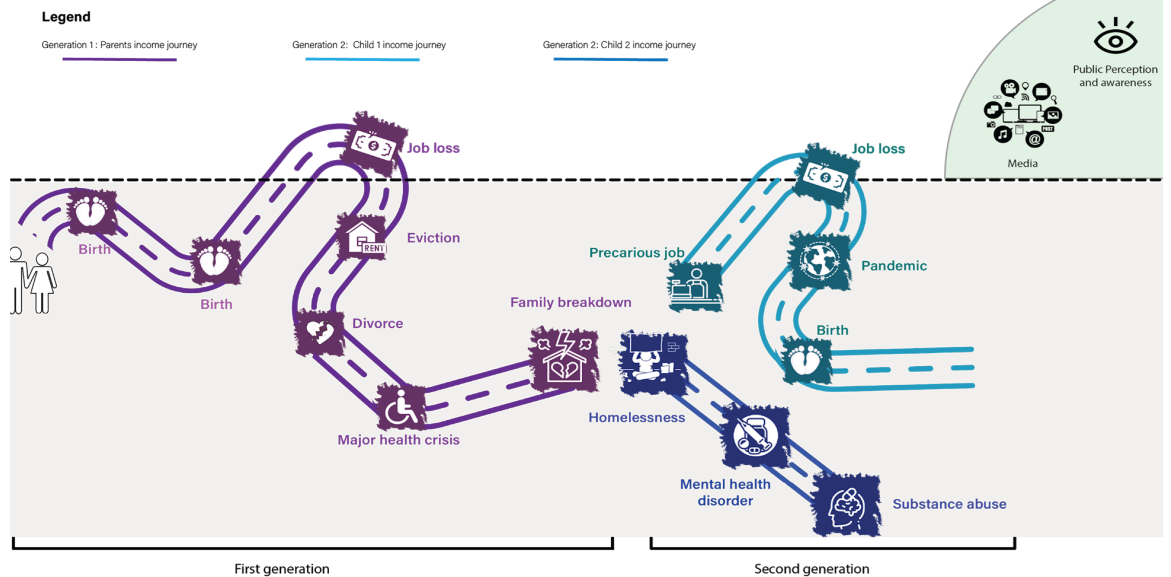


What are some challenges in addressing intergenerational poverty?

1 Intergenerational Poverty is not a cycle

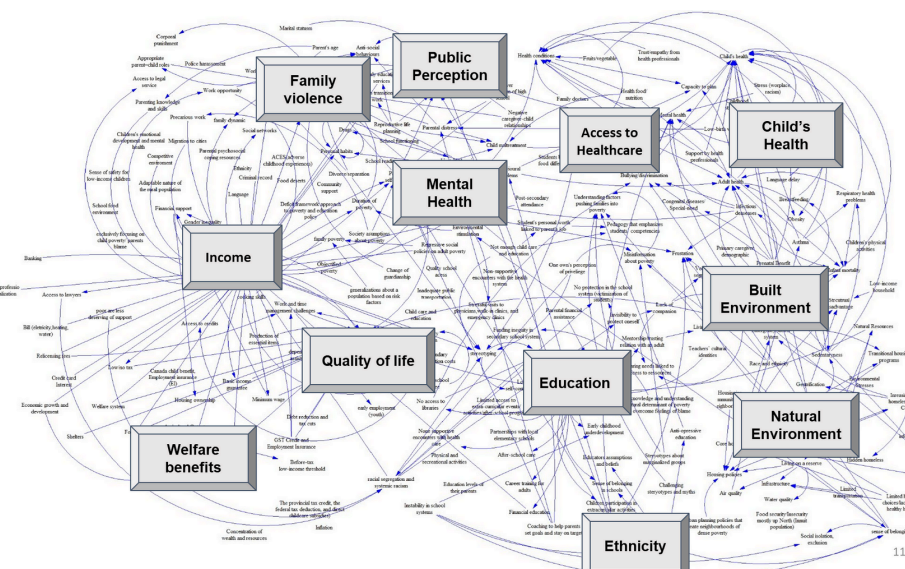
The same factors that drive parents into poverty may not be the same that will influence their offspring.

A family intergenerational journey through poverty



2 Fairness and Equal Chances is a myth

A causal loop diagram of intergenerational poverty reveals a complex web of factors, often exceeding 255 elements, that interact dynamically. These factors typically revolve around three main areas: income, education, and health. Here's an overview of how these elements may interact



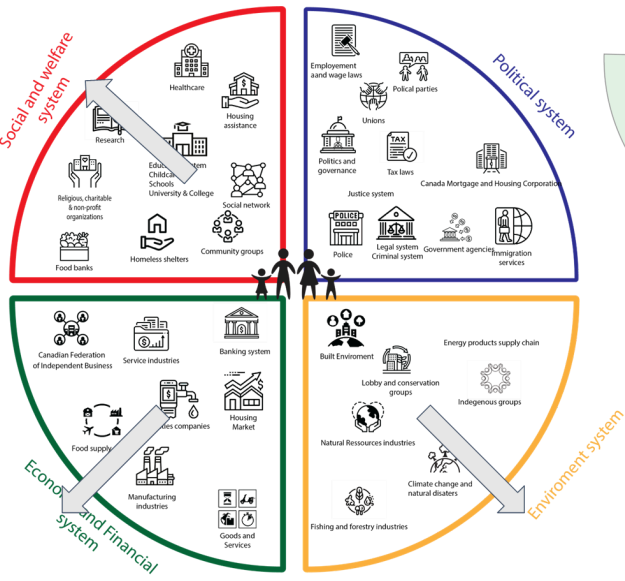
3 Upward economic mobility in Canada is limited

Intergenerational economic mobility is “the capacity for children to become all that they can be without regard to their starting point in life”.
(Corak 2016)

The chance for a person or family to live better, get a good education, or find better jobs compared to their parents is somewhat limited to about 60%. This means, about one-third of kids’ financial situations depend on their family’s income. This means one-third of kids from poor families will stay poor, and one-third of kids from rich families will stay rich.



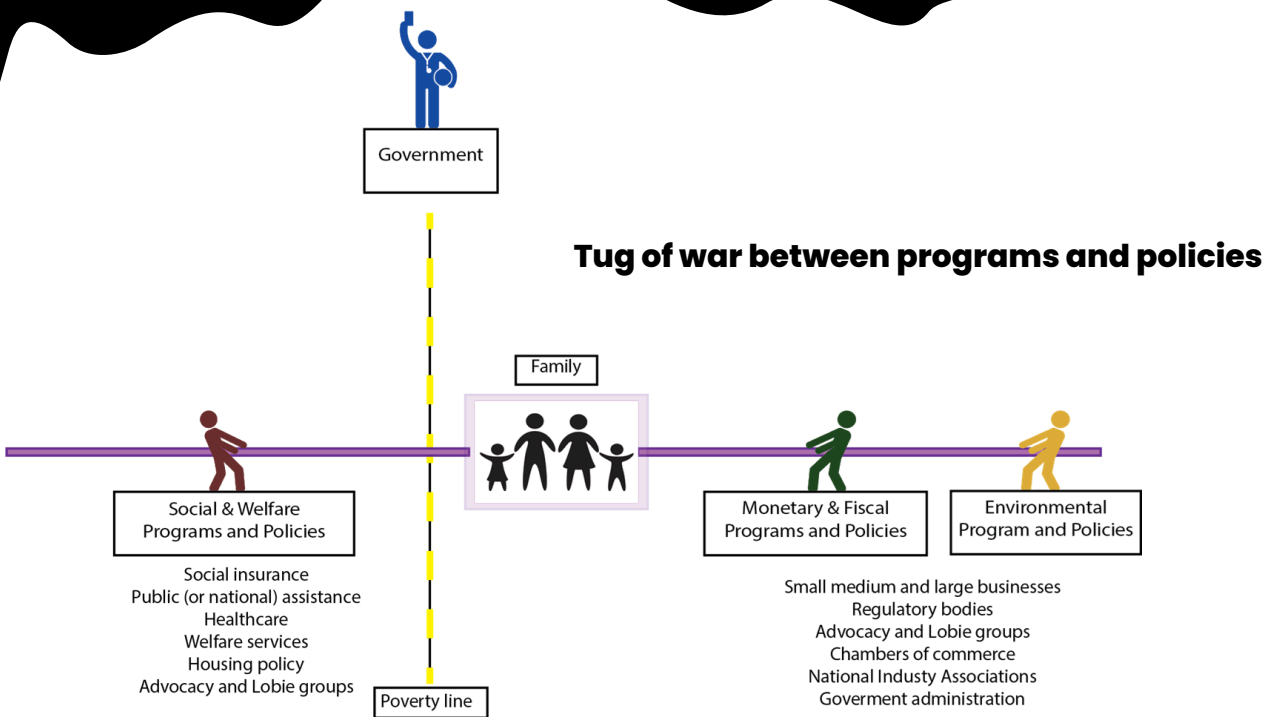
4 Lack of a systemic approach to eradicating poverty



The stakeholder map analysis shows that programs and services don’t always work together to help families and children.

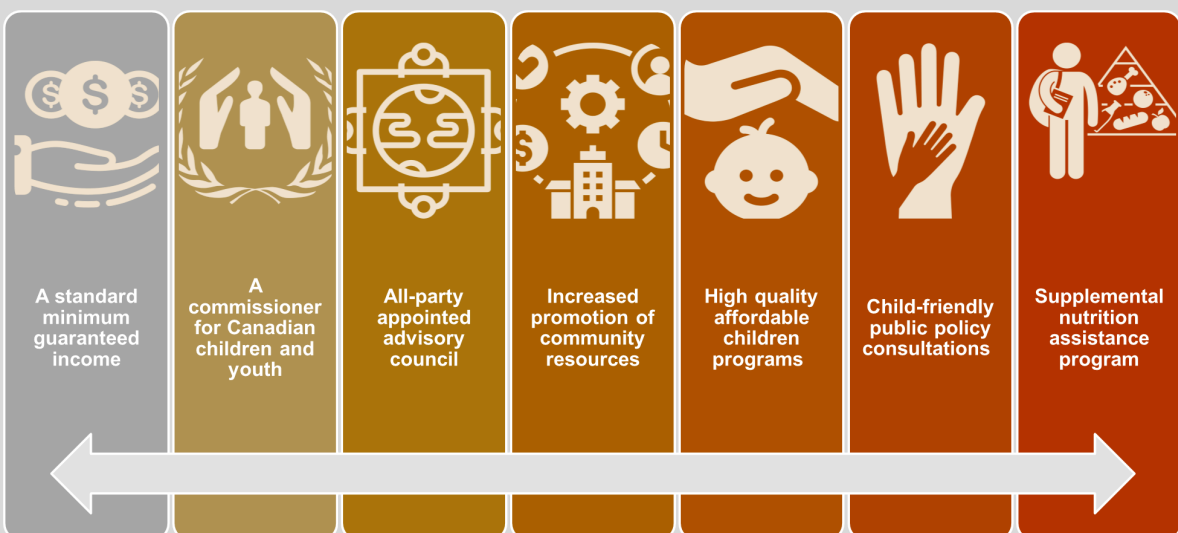
Indigenous groups and small communities that rely on natural resources often face challenges. They might be denied opportunities to develop these resources or have to fight big companies for the right to use them.

For example, a living wage means earning enough money to cover basic needs without needing extra help. Some people argue against it because they think it would increase costs for business owners, reduce working hours, and raise the prices of goods and services since many minimum wage earners are young people living with their parents.



What are some key areas to make big improvements?

Addressing child poverty requires a multifaceted approach. Here are some key leverage points that can be effective in a child-centric poverty strategy:



The fight against poverty has mostly focused on adults. Many programs help some adults but don’t stop poverty from affecting future generations. To reduce poverty for future generations and achieve sustainable development, we need to see intergenerational poverty as a system. This system includes political, economic, environmental, and social factors that keep the underprivileged from accessing economic and social opportunities.

To learn more you can read the full report on our website <https://hakiliworld.org>