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Poverty Rate Among Single-Parent Families Cut by Half over Decade: C.D. Howe Institute

Toronto, June 24 – The poverty rate among the two million Canadians living in lone-parent families has fallen by more than half over a decade, according to a C.D. Howe Institute study released today. In *Reducing Lone-Parent Poverty: A Canadian Success Story,* Professor John Richards, the Roger Phillips Scholar in Social Policy, finds this decline largely reflects smart social program reforms that led to a dramatic increase in employment income among these families.

Professor Richards surveys Canadian poverty trends over the past three decades, especially the major welfare-to-work social policy initiatives undertaken in the 1990s. From 1996 to 2007, the poverty rate as measured by the low-income cutoff (LICO) rate fell from 50 percent to nearly 20 percent for members of lone-parent families.

There are several underlying factors at work, says Richards, a Professor at Simon Fraser University. In the mid-1990s, many of Canada's largest provinces adopted "tough love" initiatives that rendered welfare access more difficult for those classified as employable, a category including most single parents. Accompanying the "tough love" were "soft love" initiatives intended to provide benefits to working parents – such as better support for child care and the National Child Benefit System, which provides financial support to low-income families with income above welfare thresholds.

While lone-parent poverty has fallen dramatically, Canada's overall poverty reduction since the mid-1990s has been similar to other OECD countries. And, as measured by the low-income measure (LIM – the percentage living below half of the median income), Canada's poverty rate in mid-2000s was above that of the typical OECD country.

For Ontario, Alberta and British Columbia, Professor Richards notes that further reductions in Canadian poverty are now more complex than welfare-to-work programs. In these provinces, the majority of welfare recipients are now "persons with disabilities." A high-profile category is the urban homeless, most of whom combine mental illness with abuse of drugs or alcohol. For them, effective policy requires housing and other expensive services.

The study includes a methodological appendix on defining poverty thresholds. In addition to the LICO, the Canadian government maintains two other measures: the LIM and the market basket measure (MBM). The study recommends replacing the LICO by the LIM as the standard poverty measure.

For the study, go to www.cdhowe.org

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Reducing Lone-Parent Poverty: A Canadian Success Story, C.D. Howe Institute Commentary No. 305, by John Richards (June 2010). 17 pp; $12.00 (prepaid, plus postage & handling and GST – please contact the Institute for details). ISBN 978-0-88806-809-5.

Copies are available from: Renouf Publishing Company Limited, 5369 Canotek Road, Ottawa, Ontario K1J 9J3; or directly from the C.D. Howe Institute, 67 Yonge St., Suite 300, Toronto, Ontario M5E 1J8. The full text of this publication is also available from the Institute's website at www.cdhowe.org.