

Poverty and Equality of Opportunity

three pictures to motivate policy for social mobility

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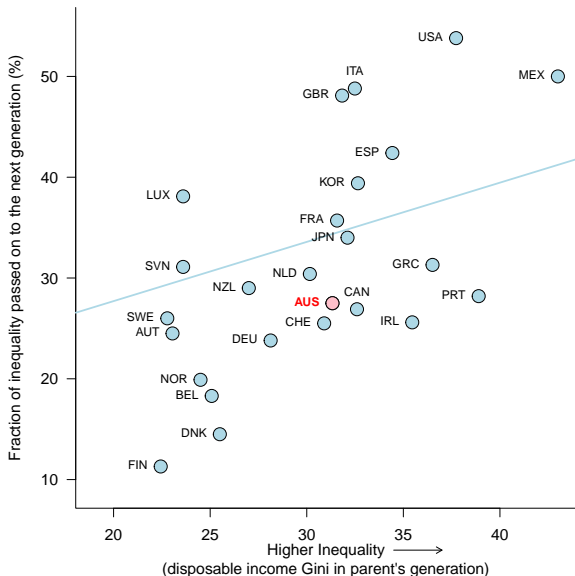
Melbourne Institute of Applied Economic and Social Research

National Portrait Gallery, Canberra, Australia

November 26th, 2019

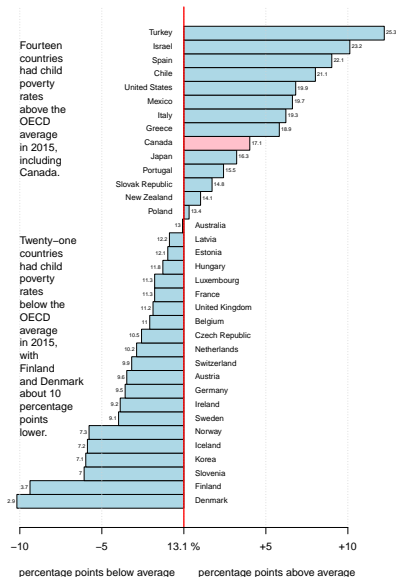
1. Social mobility varies across countries

incomes are stickier across generations where inequality is higher



2. Bottom half income inequality drives social mobility

OECD child poverty rates average 13%, but vary significantly

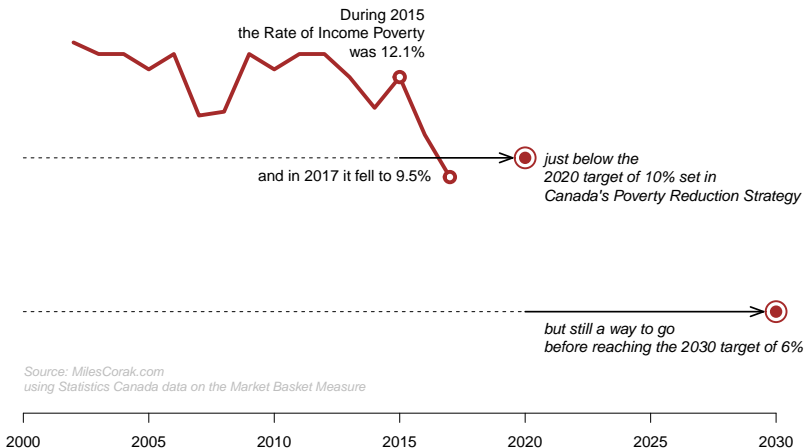


3. Canada's poverty reduction strategy has three elements

the first sets targets to monitor progress

Canada's official rate of income poverty has fallen

below one-in-ten for the first time, going below the interim target



Source: MilesCorak.com
using Statistics Canada data on the Market Basket Measure

3. Canada's poverty reduction strategy has three elements

1. An official poverty line and targets
 - ▶ sets an official poverty line and establishes targets for poverty reduction
2. Supporting indicators
 - ▶ conditions the nature of the reduction with three sets of supporting indicators
3. A “contract” with future governments
 - ▶ embeds poverty reduction into the longer term horizon for successive governments

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In 2015, the patterns of consumption on which Canada's Official Poverty Line is based would suggest that, on average, a family like Mike and Shebana's, living on the poverty line in their community, would have enough money to spend approximately the amounts shown below to meet their basic needs and maintain a modest standard of living over the course of a year.*



Clothing and Footwear

\$1,803 or \$134 per month



Transportation

\$4,402 or \$367 per month



Nutritious Food

\$12,437 or
\$1,036 per month



Shelter

(including electricity,
heat, clean water)
\$11,754 or
\$980 per month



Other Goods and Services

(including personal care items, basic telephone service, reading, recreation, entertainment, and school supplies)
\$10,581 or \$882 per month



In 2015, the patterns of consumption on which Canada's Official Poverty Line is based would suggest that, on average, a family like Lysanne and Eric's, living on the poverty line in their community, would have enough money to spend approximately the amounts shown below to meet their basic needs and maintain a modest standard of living over the course of a year.*



Clothing and Footwear

\$1,926 or \$161 per month



Transportation

\$2,307 or \$192 per month



Nutritious Food

\$11,367 or
\$947 per month



Shelter

(including electricity,
heat, clean water)
\$7,252 or
\$604 per month



Other Goods and Services

(including personal care items, basic telephone service, reading, recreation, entertainment, and school supplies)
\$10,018 or \$835 per month

Figure 1: Official poverty indicator

DIGNITY



Lift Canadians out of poverty by ensuring basic needs are met

Food insecurity

Unmet health needs

Unmet housing needs and chronic homelessness

Deep income poverty

Figure 2: Supporting indicators: Dignity and basic needs.

OPPORTUNITY and INCLUSION



Help Canadians join the middle class by promoting full participation in society and equality of opportunity

Literacy and numeracy

Youth engagement

Relative low income

Bottom 40% income share

Figure 3: Supporting indicators: Opportunity and inclusion.



**Support the middle class by protecting Canadians from falling into poverty
and by supporting income security and resilience**

Median hourly wage

Poverty entry and exit rates

Average poverty gap

Asset resilience

Figure 4: Supporting indicators: Resilience and security.