

ENDING WORKING POVERTY REQUIRES A MAP

Where your money comes from, where it goes, how you create balance and how you build for a poverty-free future.

MONEY IN

This includes all money that comes in to fill your treasure chest. Employment income, benefits and tax incentives, inheritance, gifts, lottery, side gigs, government supports.

ALL income is counted.



MONEY OUT - FIXED

This includes all expenses that you cannot skip and/or that you have no flexibility in the cost, and includes things like taxes and interest. This can also include sudden/emergency costs like a ticket or broken essential item.



MONEY OUT - VARIABLE

This includes all expenses that you have control over, to some extent. It includes the basket of goods used to describe the poverty line (or market basket measure MBM) and includes things like: food, housing, utilities, transportation, technology, clothes, entertainment, investments, education, debt payments. Many of these things are essential, but unlike Fixed Costs above, there is some degree of how much money you can spend on each item, some option to sacrifice one thing for another, and as your wealth increases, these options/choice become more flexible.



BALANCING ACT

Managing the money IN and money OUT is always a balancing act. To live above the poverty line, your money in **MUST** be more than your money out. As your wealth changes, so does the balancing act. As wealth increases, so do choices. As part of the balancing act public policy must ensure that low income earners are not caught in a cycle of poverty that they cannot get out of.



BUILDING FOR THE FUTURE

Families should be encouraged to build assets. These assets can be money (loans/debt load, investments) or things (car or house) and even things like education, training and expertise.

Asset building create opportunities for intergenerational wealth transfer and improves options for savings for uncertain times.

Assets are a families' safety net. They support vibrant thriving families that live above the poverty line



MONEY IN

People get access to money in a wide variety of ways.



Employment

The most obvious way people generate money is through working. There are unlimited types of employment options for people. Understanding this, the government has created sets of laws that ensure people are treated fairly, that they are safe, that there is a pool of money designed to support the social safety net and that employers are responsible.

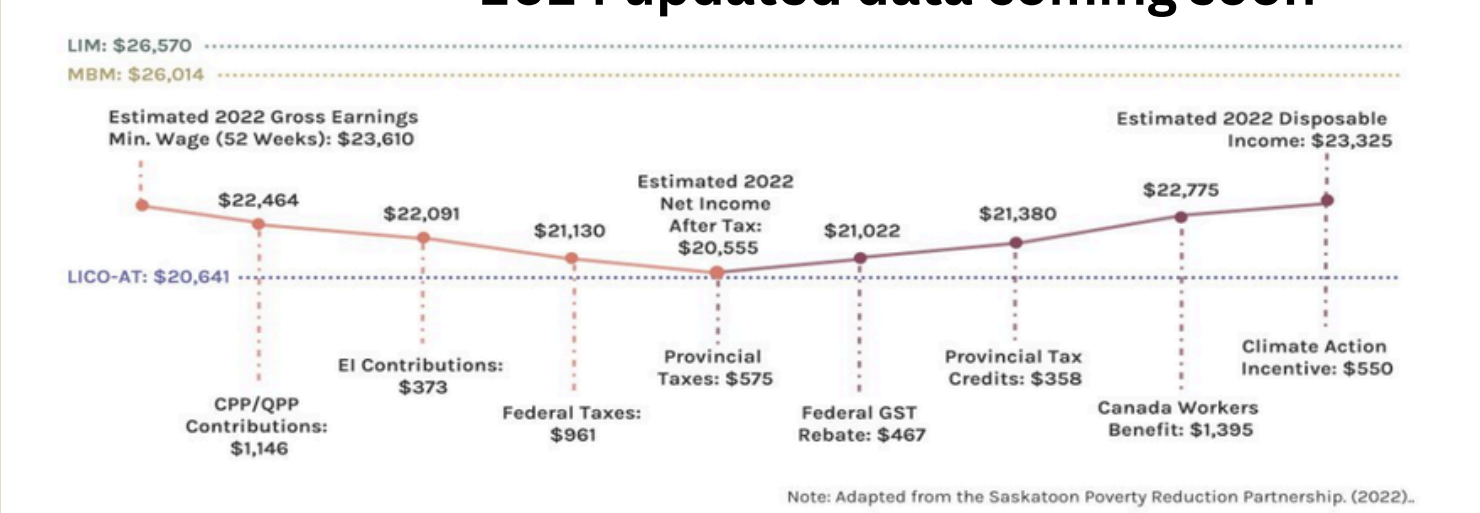
Not all circumstances are equal or equitable.

Minimum Wage Employment in Saskatchewan

Community members that work Full Time hours (40/week) for a Full Year (52 weeks/year) cannot earn enough money to live about the poverty line.

Coupled with the fact that many minimum wage jobs are not full time, these workers are forced to piece together multiple Part Time opportunities. Further complicating this, and increasing the cost of living for minimum wage workers, is the fact that many of these PT jobs do not offer any benefits (sick leave, medical, dental, vacation, etc.)

2024 updated data coming soon



Income Assistance (SIS) in Saskatchewan

Community members who are supported by the SK Income Assistance program face circumstances where making ends meet is next to impossible. When comparing different wage categories, it becomes obvious that residents that are on SIS, and even SAID, face budgeting constraints that even the most savvy financial planner couldn't figure out.

Many of the common criticisms of people on SIS is that they should just get jobs.

The next section of the map will outline the costs associated with life, or the "money out"

It is critical to recognize that BOTH Income Assistance and Minimum Wage employment are so far below the poverty threshold, that decision to work or not, rely on these costs, impact on family and ability to afford to work.

Income Source	Estimated Hourly Rate
Income Support (SIS)	\$5.65/hr
Income Support (SAID)	\$7.90/hr
2023 FT/FY Minimum Wage	\$14.00/hr
2024 FT/FY Minimum Wage	\$15.00/hr
2023/24 Living Wage	\$18.95/hr
2023 Avg SK Wage	\$29.24/hr
2023 Avg National Wage	\$30.56/hr

Recovering Money Out - Filing taxes and other benefits

There is another source of income that becomes essential for community residents living in low-income situations. Even in minimum wage jobs, mandatory deductions and taxation policies are enforced. Filing taxes opens an opportunity to receive benefits that are designed to support low income situations. Not filing your taxes leaves these financial benefits with the government. Things like GST, climate action, child tax benefit, etc.



In 2023-24 fiscal year, the Saskatoon Food Bank & Learning Centre returned over \$12 MILLION back into the community with their free tax clinic services.

MONEY OUT

People spend their money on the things that they need in their lives.



Fixed Expenses - those costs you cannot avoid.

Living and working in Canada comes with a few fixed costs that are unavoidable. Every paycheque from an employer comes with automatic deductions that you cannot skip. Many of the fixed costs have government policies that work to offset these costs for low-income people. Filing your taxes is the best way to make sure you recover many of these fixed costs.

Fixed expenses can also include interest charges on debt, sales taxes, or even flexible costs that become non-negotiable because they penalties or consequences that are higher than the costs associated with just paying them.

Access to Goods and Services



While it is important to have enough money to address the costs of living you have, it is also important to note that some neighbourhoods lack access to these goods and services. We call this “amenity density” and it means that for some people the cost to access is greater, or even may not exist despite it being an essential basic need, because the location is out of reach.

Ending working poverty requires

(1) enough money to buy the things you need and (2) the ability to access those things (physical location and systemic barriers).

Important Consideration

In order to have money in through employment - there are money out costs.

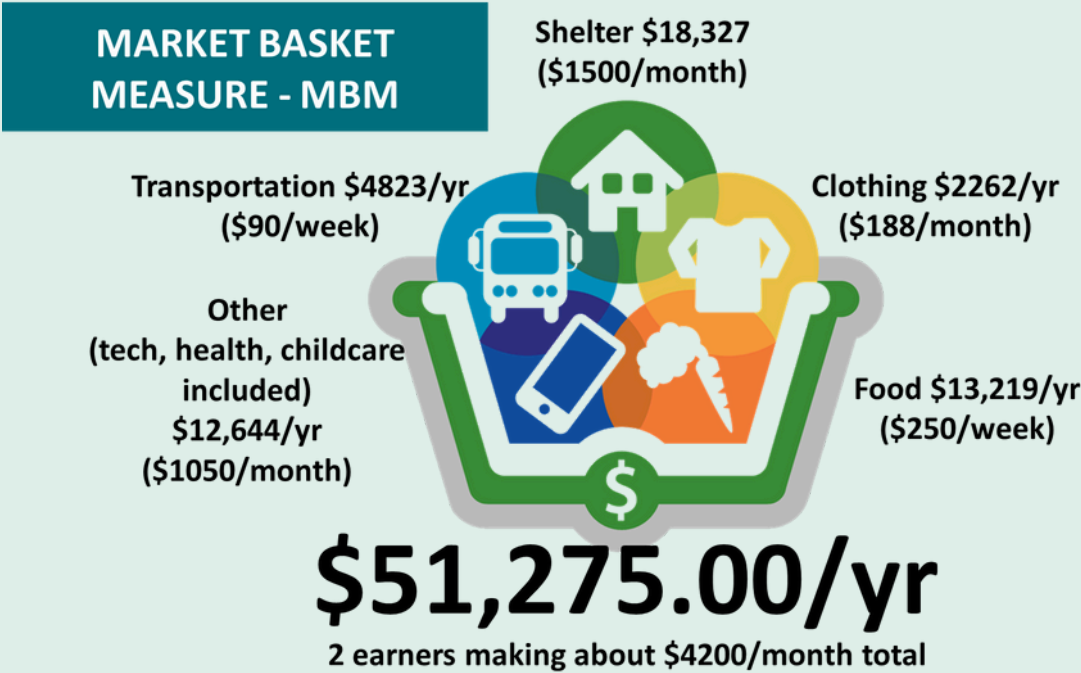
In Saskatoon, it can cost upwards of \$50.00/day to go to work.

These costs can include: childcare, transportation, food, special clothing, technology, etc.

Market Basket Measure (MBM)

This is the official measure of poverty for Canada. It takes into consideration the amount of money required to purchase a basket of goods for a family of 4 with 2 children in school.

The Saskatoon MBM (2023) is \$51,275.00/yr and includes specific costs for the 5 baskets of goods (shelter/housing, transportation, clothing, food, and other)



Flexible Expenses - those costs you have some choice in.

People spend their money on the things that are basic needs AND on the things that are important to them. Having the choice to do this is impacted by the amount of money in and the costs associated with the things you want to buy.

Sometimes, what is a flexible expense for someone is a fixed expense for another person.

Oftentimes there is criticism and judgement placed on how a person sets priorities. It is important to remember that everyone’s needs and wants are different.



Generally speaking, flexible expenses include most of the items in the market basket measure. And while these items are basic needs, and may have fixed costs, it is possible to “shop around” to find deals, lower cost items etc.

BALANCING ACT

People work hard to make sure that money in is greater than money out.



Everyone has a set of different circumstances, priorities and expectations. Making sure that the money in is greater than the money out is a complicated balancing act. To make matters worse, everyone has their own sets of values and ideas about what money should or shouldn't be spent on. This leads to cycles of blaming and shaming people who have the hardest balancing act to manage.

Choices vs Options

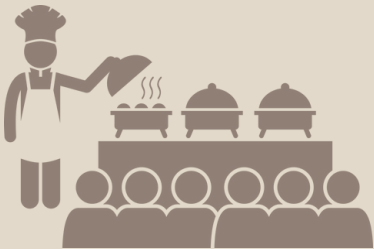
CHOICE: an act of selecting or making a decision when faced with two or more possibilities (options)

OPTION: a thing that is or may be chosen



People go about their daily routines managing this balancing act. What we fail to account for is that oftentimes the options that are presented are not positive, and that creates a situation where actively participating in a choice becomes impossible. The ability to balance depends on the conflict between options and choices.

Think about it this way: You are at a buffet meal. There are many options. Now you are faced with choice. If you have no dietary restrictions you can choose of any/all items. If you have an allergy, you have fewer options and less choice.

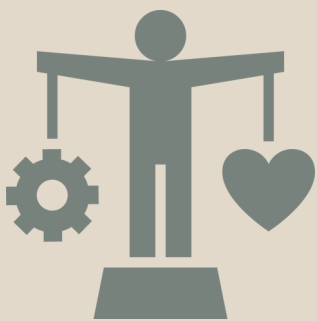


If you are vegetarian and all options have meat in them, then you have no options. You still choices (1) eat nothing (2) eat meat. But neither of these choices are positive, so in reality you have NO choice, despite having options.



Now comes the cycle of blame and shame – if you eat nothing, people may say “I gave you food and you chose not to eat” or if you eat something they may say “I gave you food and you chose to overlook your values – you can keep doing that if eating really matters to you” This is how we reflect on ineffective policies – rather than looking at the buffet options, we focus on the user and hold them accountable for “bad choices” based on our poor options.

Planning and Saving



Over time, when people start to balance their resources planning and saving becomes an active choice. When people are in a state of constant survival, there is no option that leads them to think about planning or saving. However, as soon as stability can be added to the money in money out balancing act, people start to think about the future and how resources could be used differently.

It is also important to note that the balancing act is also impacted by other external things – how narrow the balance beam is (the more income stability you have, the wider that beam gets), how you hold the things you are balancing, and how many items you are balancing at once (is there somewhere or someone that can help you hold them?)

Building Assets

ASSETS are resources with value that an individual owns with the expectation that it will provide a future benefit.

It is almost impossible to plan for the future and break cycles of poverty without capacity to build assets. The balancing act is never the same day to day, and just when you think the pathway is smooth, you are faced with a fixed expense you didn't consider. The more prepared you are for these hurdles, using assets, the more likely you are to “weather the storm.”



Assets are a person's safety net.



Assets are often monetary, but can also take the form of things that are easily sold (car, house, computer, phone, other larger items) but also, over time assets can include lower interest rates, improved employment income, investments, health & well-being.

BUILDING FOR THE FUTURE

Over time, when money in is greater than money out, you are lifted out of poverty.



Families that are building assets – like housing, cars, financial savings, education, good health and well-being are ready for the next stage of ending the cycle of poverty. Asset building creates opportunities for intergenerational wealth transfer, creates additional options when you have uncertain times. Building for the future requires individuals (or families) to be ready AND it requires community/government policies to support the long term elimination of poverty.

Individuals and Families Intergenerational Wealth Transfer

Being able to share your accumulated wealth is a core priority in eliminating poverty across generations. It is important to note that wealth transfer doesn't have to wait for a death in the family, though inheritance is a form of wealth transfer.



Remember your treasure chest? Imagine it is filled and overflowing – you want to share this wealth with the people you love. Being able to do that is the concept of intergenerational wealth transfer.

People who have assets to share often do it through gifts or other forms of support within a family's needs (paying for school, buying a house to share/rent, buying a car, paying off a loan). The bottom line with this final stage is that people have enough money in for ALL of their needs/wants AND extra that they can pass on to another family member/friend or person in need.

Community and Government

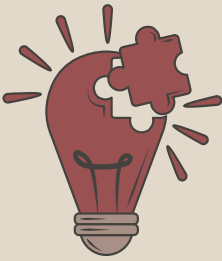
We all have a role to play in eliminating poverty and creating the right circumstances to balance the money in money out roadmap.

Community - Social discourse

How people think and talk about poverty matters. Many of the misconceptions and stereotypes that are perpetuated in society are part of the problem. The narrative about who is in poverty and why needs to switch from blame and shame to deeper look at **why** people cannot balance money in and money out. Creating empathy and understanding that most of the reasons are directly connected to ineffective policies, and not a result of laziness, apathy or an unwillingness to work. It is time to break the bias and shift the focus to the root causes of poverty.



Multijurisdictional Policy Recommendations



At the root of poverty is a set of ineffective public policies. Across all levels of government and including how community agencies respond. We all have a role to play. Generally speaking effective public policies address maximized Money In, Minimized Money Out, Balance and Asset Building that create stability for the uncertainty of the future.

For example, the following policy and practices, across all levels of government and community would be a step in the right direction to end working poverty.

Current reality	Proposed Change	Jurisdiction
Income assistance rates are below the poverty line	Raise income assistance rates to above the poverty line and tie annual review to the market basket measure (MBM)	Provincial With Federal data
Landlords don't have direct deposit for income assistance cheques	Reinstate direct payments to landlords	Provincial
Minimum wage is so low that even people working FT live below the poverty line	Raise minimum wage to a living wage OR Create tax incentives/penalties for employers who don't pay living wages AND Waive the provincial income tax for people working who are below the MBM	Provincial Municipal, Provincial and Federal Provincial
People in SIS cannot work more than \$320/month without clawbacks	Increase the earned income exemption to a living wage (about \$1700/month)	Provincial
Many low income earners don't file taxes	Create a CRA auto filing process for people with simple returns	Federal

There are many options for changes to public policy that impact the Money IN - Money OUT framework.

Working collectively across sectors and jurisdictions we can end working poverty.

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