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The Poverty Matrix: Understanding Poverty in Your Community

A TOOL FOR VIBRANT COMMUNITIES
Second Edition, Winter 2004

By Mark Cabaj





Tamarack's goal is to promote community engagement in Canada. It does so by finding committed citizens and encouraging them to work together to build communities that are caring, prosperous and healthy.

Tamarack's Mission

To engage citizens in inspired action as they work together on behalf of their communities to create and realize bold visions for the future.

Tamarack provides direct service in communities, through organizations, to develop and promote the "technology" of community engagement and to lead individuals and organizations to be more deliberate as they accelerate the changes necessary to achieve their visions.

Tamarack aims to inspire a national focus of interest in the betterment of Canadian communities through leadership development, community partnerships and projects that animate change.

Three interrelated strategies have been developed to do this work. They are:

Community Building Strategy – Tamarack is forming multi-year partnerships with communities that wish to use a community engagement approach to address the issues their communities face.

Leaderful Communities Strategy – Tamarack's Learning Centre seeks to improve, create and disseminate resources and ideas related to community engagement in order to help communities to be bolder and more deliberate in realizing their visions.

Catalyst Strategy – Tamarack will provide a national focus of interest for the betterment of Canadian Communities.

This work has already begun to have an impact. With the Caledon Institute of Social Policy and the J.W. McConnell Family Foundation, Tamarack has sponsored the Vibrant Communities initiative to build communities in order to reduce poverty in cities Canada.

Located in Waterloo, Ontario, Tamarack is incorporated as a charitable not-for-profit agency. Founded in 2001 as a partnership between Alan Broadbent of Avana Capital Corporation and the Maytree Foundation and Paul Born, Tamarack receives core funding from the Maytree Foundation and secures contract funding for project specific work.

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PREFACE

The Poverty Matrix has been prepared by Tamarack – An Institute for Community Engagement as one of a growing bundle of tools to support the work of local organizations that are facilitating and leading broad-based local efforts to reduce poverty (we call them “convenors”).

The Matrix was inspired by the thinking and work in Opportunities 2000 from 1997 to 2000 in an effort to develop a more comprehensive understanding the question of “how is poor” in our community – a question they came across when wondering where best to focus their network’s effort to reduce poverty.

The Matrix was inspired by the Aspen Institute research report, *From the Bottom Up: Toward a Strategy for Employment and Income Generation Among the Disadvantaged* (1993) in which the authors describe different “depths” or “kinds” of poverty – ranging from working or waged poor to homeless persons. Opportunities 2000 staff then adapted it in several ways to come up with a more comprehensive lens on local poverty.

This is the second edition of the Poverty Matrix. This document has been upgraded based on the experiences of groups in Victoria, British Columbia, Edmonton, Alberta, St. Catharines, Ontario and Saint John, New Brunswick who have used the matrix already, and provided suggestions for strengthening the tool.

Completing a strategic map of local poverty is just one key piece of work a convenor organization needs to complete in order to be successful. Readers interested in learning more about the broad range of key milestones in a convenor’s work are encouraged to read the booklet, “Convening a Comprehensive, Multisectoral Effort to Reduce Poverty – A Primer” which can be downloaded electronically from www.vibrantcommunities.ca.

Tamarack continues to develop and share tools and supports to assist local convenors and their communities as they complete important steps in their poverty reduction initiatives. These resources will be made available at www.vibrantcommunities.ca.

WHAT PEOPLE ARE SAYING ABOUT THE POVERTY MATRIX

The Poverty Matrix challenged a lot of stereotypes about who is living on low income in our community and helped to energize our community to plan strategically to move people out of poverty. This can be a very action oriented tool.

Jane Worton
The Quality of Life CHALLENGE
B.C.'s Capital Region, British Columbia

The matrix helped us surface good questions, even if we were not always satisfied with the depths of our answers.

Jamie Gamble
Saint John, New Brunswick

The matrix is a simple but effective tool to present the complexities and nuances of the local poverty picture to the broader community.

Allan Day
Allan Day & Associates
Kitchener, Ontario

The Poverty Matrix was critical in helping us to decide where to focus our resources.

Karen Gingras
Executive Director, Edmonton Community Loan Fund Society
Co-Coordinator of Vibrant Communities Edmonton
Edmonton, Alberta

INTRODUCTION

In order to launch a large community-based poverty reduction effort, your convening group needs to have a firm understanding of the extent of poverty in your community.

Good research on the local poverty picture will make it easier for your group to:

- identify groups of residents or neighbourhoods with the highest concentrations and/or depths of poverty that may require extra attention in your work;
- demonstrate the thoroughness and credibility of your work to the broader community – making it easier to mobilize support for your poverty reduction efforts;
- create a base of information that can be used to educate the broader local public on the extent and nature of poverty in your community.

Other Ways to Use the Matrix

In the Quality of Life CHALLENGE in B.C.'s Capital Region, people also chose to use the Matrix framework to create an inventory of existing – and missing – employment services for different segments of low-income residents in the greater Victoria area. The combination of poverty statistics plus an inventory of existing services helped organizations involved in the CHALLENGE to determine where they wanted to focus their efforts.

It is very important that your convenor group gather, analyze and share information in a way that reflects the diverse reality of poverty in your community.

A low-income senior citizen on a fixed income, for instance, experiences different barriers to economic self-sufficiency than a young person that struggles to obtain a well-paying, steady job. Similarly, the strategies used to reduce poverty among homeless residents will differ markedly from those used to improve the circumstances of people working in low paying jobs.

A community group interested in being strategic in identifying where it can generate the biggest reductions in local poverty – and in crafting solutions tailored to fit the needs and priorities of different groups experiencing poverty – must develop a solid framework of who is poor in order to guide its research, planning and action.

THE POVERTY MATRIX©

The Poverty Matrix© is a useful framework for understanding the different groups of low-income residents and mapping out the extent and depth of poverty for each group in your community.

The matrix describes poverty in the community using two broad categories. The first is the type or level of poverty someone might experience. This ranges from working poor to homeless with the categories of temporarily unemployed, persistently unemployed, and dependent poor in between. (See Exhibit 1).

The next category focuses on demographic groups that experience poverty more than the general population. These include, among others:

- children;
- women;
- youth;
- immigrants;
- Aboriginals;
- Seniors;
- physically disabled.

By weaving the categories of poverty into a matrix with different demographic groups, a community organization can gain a more sophisticated understanding of the different segments of poverty in its community.

The simplest format is to focus on demographic groups that experience higher than normal incidences of poverty and the type of poverty they experience (e.g., working poor immigrants, homeless youth, dependent poor seniors). (See Exhibit 2).

In those instances where a group wants to focus on a specific issue, (e.g. understanding the differences) they can adapt the framework accordingly. (See Exhibit 3).

Exhibit 1
Poverty Matrix© Definitions
For Categories of Poverty

At-Risk – people who are currently not poor, but are vulnerable to experiencing poverty in the near to medium future. Demographic groups that often fall into this category are young people struggling in school, people approaching retirement with little to modest savings or pension plans, people with mental disabilities, persons working in struggling industries, businesses, sectors or jobs (e.g. commercial fishery, downsizing corporations, etc.).

Working Poor (or Waged Poor) – people that are working in full, part time, or seasonal jobs that have few, if any, benefits and receive inadequate wages or job stability to maintain themselves in a decent standard of living. Demographic groups that tend to fall into the category of working poor more frequently than others include youth, persons with high school education, lone parents, older workers, seasonal workers and immigrants.

Temporarily Unemployed – people that are normally gainfully employed, often at good wages and income, but are temporarily unemployed due to a lay-off or firing, or because they have left a job voluntarily. Demographic groups that have a higher than normal incidence of temporary unemployment include people returning to school from the workforce, older workers transitioning to new employment due to a lay-off, seasonal workers, and women on maternity leave.

Persistently Unemployed – people that have trouble securing and maintaining paid work and often find themselves unemployed and frequently, though not always, receiving social assistance. Demographic groups that experience higher than average rates of persistent unemployment include youth entering into the job market, people involved in the criminal justice system, people with physical disabilities, people experiencing mental illness, Aboriginals, and those without a high school education.

Dependent Poor – people unable to work and whose major source of income is from savings or government income support. There are several demographic groups more likely to be dependent poor. These include retired persons living on a fixed income, persons on long-term disability pensions, lone parents, Aboriginals, immigrants and students.

Homeless – people with sporadic income that is generally insufficient to pay for basic food, shelter and clothing, due to a combination of factors. Historically, persons with mental illness and youth have a higher than average risk of homelessness. More recently, however, there are instances of fully employed persons in communities with high rents and low vacancy rates (e.g., Calgary, Victoria, Vancouver) spending extended periods of time looking for accommodation.

Exhibit 2

The Poverty Matrix©

A general framework to examine poverty statistics among the five demographic groups experiencing the highest incidence of poverty.

			DEMOGRAPHIC GROUPS				
			WORK-LIMITING DISABILITIES	RECENT IMMIGRANTS	UNATTACHED INDIVIDUALS AGED 45-49	LONE PARENTS	ABORIGINAL PEOPLE*
		AT-RISK					
LEVEL OF POVERTY		WORKING (WAGED) POOR					
		TEMPORARILY UNEMPLOYED					
		PERSISTENTLY UNEMPLOYED					
		DEPENDENT POOR					
		HOMELESS					

* In Preparing for Tomorrow's Social Policy Agenda (SRDC Working Paper Series 02-04. November 2002), Peter Hicks indicates that 54% of all persistently poor families in 1997 were found in these five categories.

Exhibit 3

The Poverty Matrix©

A tailored framework to examine issues related to gender and poverty among targeted groups.

			DEMOGRAPHIC GROUPS					
			GENERAL POPULATION		IMMIGRANTS		SENIORS	
			WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
		AT-RISK						
LEVEL OF POVERTY		WORKING (WAGED) POOR						
		TEMPORARILY UNEMPLOYED						
		PERSISTENTLY UNEMPLOYED						
		DEPENDENT POOR						
		HOMELESS						

USING THE MATRIX TO COMPLETE A POVERTY PROFILE

There are five simple steps needed to develop a poverty profile for your community. These are:

- defining poverty and the categories your group is interested in learning more about;
- clarifying the research questions;
- identifying and tapping into information sources to answer the questions,
- analyzing the information;
- packaging the information so that it can be used for planning and communication purposes.

While these steps are sequential, your group may find it necessary to move back and forth between them as it crafts an approach that works locally. A group might drop or even add research questions, for example, once it has a firmer understanding of what information is readily available to complete the profile.

Step One: Defining Terms

(a) *Poverty Measure*

There is no official measure of poverty in Canada. In fact, there are at least nine different poverty definitions in use in Canada today (for a description of the different poverty lines, see <http://www.ccsd.ca/pubs/2000/fbpov00/chapter2.pdf>).

For practical purposes, it is probably best to use a measure for which there exists easily accessible information. While such definitions will not be perfect, it is generally quite difficult to secure local statistics on poverty that are accessible and affordable so it is best to try and make do with whatever information is available.

If your group chooses a definition based on the availability of existing data, yet feels that the measure is either too low or high, you have the option of either increasing or decreasing the results of the research by an amount you feel more accurately reflects the poverty picture in your community. The Aspen Institute in the United States, for example, chose to increase their poverty line by 50% in a

Poverty Measures

The Statistics Canada Low Income Cut-Off (LICO) is the most widely used (though not necessarily universally accepted) operational definition of poverty in Canada, and therefore a most helpful source for consistent data. Research by the Canadian Council on Social Development has found that the LICO comes closest to what the majority of Canadians feel is an appropriate poverty line. Unfortunately, Statistics Canada's LICO statistics are only updated every five years, usually about 1.5 years after the national census.

Statistics Canada's Low Income Measure (LIM) is an indicator slightly lower than the LICO and is based on data submitted through peoples' taxes. While the LIM has a number of limitations, it can be used to develop annual poverty updates and has some ways of capturing the depth of poverty for different demographic groups.

study of how self-employment programs assist low-income residents to exit poverty.¹

(b) Categories of Poor & Demographic Groups

There are many different ways to define the various categories of poor, as well as the demographic groups. There are at least three things that a group should consider in finalizing their definitions:

- Research Priorities - The categories of different depths of poverty and different demographic groups presented above are for illustrative purposes only – communities should feel free to develop their own specific categories that fit the priorities of local organizations.

In B.C.'s Capital Region, for example, people involved in the Quality of Life CHALLENGE chose not to include the category of homeless because they felt that a homeless person could fall into the other four categories or levels of poverty. Similarly, in the case of the organizations involved in Vibrant Surrey, the group's interest in issues related to the role of gender in poverty may well prompt them to decide to research differences between men and women in various sub-categories (e.g. immigrant men and immigrant women, male and female seniors, etc.).

¹ Peggy Clark and Amy Kays. 1999. *Microenterprise and the Poor: Findings From the Self-Employment Learning Project Five Year Study of Microentrepreneurs*. The Aspen Institute: Washington, D.C.

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- Existing Definitions - more often than not, your group will be influenced by the operational definitions used in other studies and/or by funding organizations.

Human Resources Development Canada, for example, defines youth as persons aged 15-24 years while Statistics Canada uses 15-19 years. While your group may prefer the HRDC definition, it may choose to use the Statistics Canada definition because of the abundance of related statistics.

- Budget – there is never enough resources and your group will likely need to make some choices about where to focus its limited time and energy.

In the Niagara poverty matrix research, for instance, the group did not have sufficient resources to examine the income statistics for women, and decided instead to limit their research to the Niagara Region. On the other hand, researchers with Opportunities 2000 decided to focus on only a few demographic groups: two parent families, single parent families, single persons, seniors and children.

Clarifying these definitions will be an iterative process: your group will come up with its research priorities, assess existing data and the costs associated with accessing it, then upgrade your original definitions to align with the existing data.

The most important thing to remember in this stage is that your group will need to be clear on the definitions used in your research (so document them!) and be prepared to defend why you chose them if and when people and organizations inquire about your methodology.

Step Two: Clarify the Research Questions

Communities interested in achieving a firm understanding of the local poverty picture will require some hard data to answer the following questions:

1. What is the current percentage of people in each category of the matrix? What has been the increase or decrease over the last 10-15 years?
2. What is the current number of people in each category? What has been the increase or decrease over the last 10 to 15 years?
3. What is the current depth of poverty (extent below the poverty line) for people in each category? What has been the increase or decrease over the last 10 to 15 years?

The answers to these questions will provide your group with a sense of the scope and depth of poverty for different poverty segments in your community and, if the information exists, for different neighbourhoods as well.

Some people in your group may feel the urge to ask additional questions at this stage of the research, such as, “What are the factors and/or dynamics underlying poverty for this group?” or, “What are the barriers that prevent people in this segment exiting poverty?” While important, try to avoid answering these questions for the moment - it is critical to first get a handle on the extent of poverty in the community.

Step Three: Identify Information Sources

There are two general sources of information that your group can access to gather information on poverty in your community: primary and secondary sources.

Primary sources are people living in poverty or information sources already gathered from people in poverty that have not yet been analyzed. The advantage of primary sources of information is that your group will have greater control in designing the research process and analyzing the information and therefore a better chance of answering the questions in a way that best suits the poverty matrix. The disadvantage is that it is time consuming and expensive work.

Secondary sources refer to research and analysis that is already completed on poverty in your community. The advantage of secondary sources is that they are already available and do not require lengthy research efforts; the disadvantage of such sources is that, more likely than not, the research is not processed in a way that allows your group to directly answer your research questions. Some of the major weaknesses of secondary sources for local poverty profiles include:

- They use different definitions of poverty (e.g. income cut-off lines);
- They may not include particular demographic groups or recognize categories of poverty;
- Their information may be out of date;
- They may present national and provincial data on demographic groups or categories, but not community-level or neighbourhood data;
- They may define communities and neighbourhoods, or even demographic and poverty categories differently than your group.

These difficulties aside, there is usually an untapped wealth of information on local poverty that your group will be able to access and package to generate a dramatically improved poverty picture in your community than currently exists.

Step Four: Analyzing the Information

No matter how good your group's source of information, you will find that it is difficult to come up with a complete and precise profile using the Poverty Matrix for all of the reasons cited above.

These are unavoidable challenges or barriers encountered in any research effort – particularly research at the community level, which is notoriously difficult to do.

The best practical advice we can provide is to view the intent of the exercise as developing a clearer picture of the local poverty scene, reducing the fuzziness, rather than creating a precise, exhaustive, 100% accurate picture. It is also helpful to think of this work as an ongoing effort throughout your poverty reduction campaign, one which you will continually upgrade, improving the local capacity to more accurately track local poverty trends.

Step Five: Packaging the Information

There is no right way to package and present the results of your research. In fact, this step will depend in large part on the following factors:

- The purpose for which the information will be used (i.e., planning, public education, or social marketing);
- The audience (e.g., your planning committee, the general public, local businesses);
- The quality and extent of information available;
- Your group's capacity (i.e., time, skills, resources) to prepare reports and presentations.

In order for the information to be used most effectively, your group will need to tailor its packaging and presentation for each purpose and audience in mind. There are, however, some general features for any presentation package that your group should consider.

a) Graphs, Charts, Tables

Given the amount and complexity of some of the information, it is important to use visual tools as much as possible. Thankfully, the answers to the questions posed in the Poverty Matrix are easily transformed into graphs and charts.

It is best to provide individual graphs and charts to present the answers for each of the questions. In Waterloo, for example, OP2000 (www.op2000.org) staff produced a presentation called the “Prism of Poverty” which allowed the project leadership to examine the local poverty picture from many different angles. The Prism included the following:

Major Categories

- The estimated total number of people experiencing poverty in each demographic group (e.g. 2,300 lone parents, 1,700 seniors);
- The estimated percentage of people in each high risk demographic group that are poor (e.g. 70% of lone parents);
- The estimated total number of people experiencing poverty in each poverty category (e.g. 65,000 working poor);
- The estimated percentage of people in each high risk demographic group that are poor (e.g. 70% of lone parents are under the LICO);
- The average depth of poverty of people experiencing poverty in each demographic group (e.g. \$3,500 under the LICO for working poor).

Poverty Segments

- The estimated total number of people in each segment from highest to lowest;
- The estimated percentage of people experiencing poverty in each segment from highest to lowest;
- The estimated depth of poverty for people in each segment from highest to lowest.

Your group might find that there is simply too much information to present using visuals. If so, it might be best to simply share the most striking or relevant findings from your research.

b) Text

Even the best set of charts, tables or graphs will require some text to help people understand the information.

As your group completes the other research assignments in this phase, you will be able to upgrade this profile even further, describing root causes underlying poverty for people in this segment, trends that are inhibiting or facilitating their exit out of poverty, and even the available local supports – and the gaps – to help them exit poverty.

c) Stories

Numbers help people understand the extent of poverty within a segment; stories help people understand the nature of the problem.

While developing stories can involve a great deal of work, providing a brief profile of a real or hypothetical situation that is representative of the people in each segment will go a long way to engaging your audience in the issue and raising interest in learning more about how they might become involved in a local effort to reduce poverty.

APPENDIX A – SOURCES OF POVERTY INFORMATION

Primary Sources

Statistics Canada

Many Canadian communities have created local consortiums to purchase Statistics Canada census data to produce more detailed local profiles of poverty than the general urban profiles created by the Canadian Council on Social Development. They generally use this information to break down the incidence and depth of poverty for different demographic groups and neighbourhoods as well.

<http://www12.statcan.ca/english/profil01/PlaceSearchForm1.cfm>

Local Surveys

Some local communities have chosen to develop their own profile of poverty by directly surveying local residents on issues related to poverty.

Secondary Sources

Canadian Council on Social Development (CCSD)

CCSD has the most thorough statistics on urban poverty, broken down by demographic group as well as by employment status.

<http://www.ccsd.ca/facts.html>

Supporting Communities Partnership Initiative (SCPI) - Related Initiatives

Communities accessing federal SCPI funds will have completed research on the number of homeless in their city, often broken down by demographic group. http://www21.hrdc-drhc.gc.ca/home/index_e.asp

Provincial Ministries Dealing with Social Assistance

Each province will have some statistics on people receiving social assistance that might be considered dependent poor or persistently unemployed.

Human Resources Development Canada

This Federal Government department has regional offices across the country that maintain up to date information on unemployment rates and the number of people receiving employment insurance – a good set of proxy measures for people temporarily or persistently unemployed necessarily.

<http://www.hrdc-drhc.gc.ca/menu/profile-search.shtml> - profile

See www.tamarackcommunity.ca for resources and information on how Tamarack can help your community effort.

This booklet was developed by the staff of Tamarack – An Institute for Community Engagement as a part of the Vibrant Communities initiative (www.vibrantcommunities.ca). Vibrant Communities is sponsored by the J.W. McConnell Family Foundation, the Caledon Institute of Social Policy and Tamarack.



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