

Income Disparity and the Impact on Families

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The following is a transcript of an Alberta College of Social Workers podcast recorded February 7, 2008. [Click here](#) to hear the audio version.

INTERVIEWER: In what ways does income disparity impact affect families?

BONITA: In Canada, the gap between the rich and the poor is growing. It is growing by leaps and bounds. This has multiple impacts on individual families and society as a whole but I think about poverty the most. It can lead to discrimination when someone doesn't have the economic status that other Albertans have.

That socio-economic disadvantage impacts the individual in many ways. Some recent research has shown that economic growth within an area has links to family violence. When I think about income disparity, especially in the field that I'm in, I think about how some women will make a decision to return to an abusive situation because they feel like they have no other choice. Sometimes there are children involved. Because there's no affordable housing - no income to sustain their life - they make choices that in another place and another time they would normally not make.

INTERVIEWER: How does this affect other Albertans in general?

BONITA: I was speaking to Jan Reimer recently and she said, "Just like family violence, with income disparity everyone knows someone that's affected. There isn't anyone not affected by this."

Economists have been talking about income disparity a lot. There is an economist called the Naked Economist and he talks about his trips and his travels. He went to Brazil recently and said that his experience was just a huge eye-opener in terms of what might happen here in Alberta. Brazil has one of the largest gaps between the rich and the poor. He saw slum neighbourhoods and drug traffickers at the end of beautiful apartments and bulletproof doors.

Income disparity may lead to these sorts of things if the gap gets too large. If we're not mindful of how big the gap is those who are at the bottom won't feel that they have any way to climb out and be a part of society. I think that holds great risk to society in general.

Between those who are at the top and those who are at the bottom there's a huge gap. It doesn't matter how much money. If that gap is leading to violence, whether it's theft or something else, it definitely impacts society as a whole. The Naked Economist said that the murder rate in Brazil is actually five times higher than it is in New York because of the gap. This isn't something that our money can protect against.

There's a huge societal impact in terms of health and education. If people can't afford basic living needs then their health is at risk; their education; any employment opportunities and that affects the bottom line of our economy. It affects business when people are not consuming and are not participating in society.

The biggest thing that is affected is children. In the United States between 10,000 and 20,000 children are dying from poverty. It's hard to put your head around that many children. We know in Alberta we have kids that go to school hungry every day. That affects every part of our society, knowing they are the next generation. It certainly is a tap on our health system if someone becomes sick and is no longer able to participate in society.

INTERVIEWER: How does this disparity gap affect you as a social worker and your ability to help others?

BONITA: It greatly affects me. With some of the income rates that people get you can tell people to budget on \$400 but that isn't going to go very far. Even if it's \$800 or \$1,000 it really doesn't go very far. You can try to help and support people but the infrastructure and general societal support is not there.

A really good friend of mine has five children. Her partner passed away and so she wasn't able to support herself or her children in any way whatsoever. As a social worker the gap affects my ability to help support society as a whole and those individuals who need the support the most.

INTERVIEWER: You mentioned a couple of times now that there is a significant negative impact on families, particularly single women with children. Can you tell me - in your view - is the situation getting better or worse?

BONITA: I absolutely believe every single day it gets worse. It's so frustrating sometimes. Alberta has some of the worst indicators of how someone is doing in society. How well is someone doing financially? Can they survive on this?

I actually don't see things getting better because we don't have the support that people need to make a contribution and be a part of society. If you're on the lower side of the gap there is a feeling that there is no way out.

There's an interesting economic perspective in terms of how people view their sense of poverty. It talks about how it's not so much how much people are earning. It's more about relative wealth versus absolute wealth. It's relative to everyone else in our society. To be constantly reminded every day how poor you are is such a terrible and frustrating position to be in. The impacts on our society are huge because it leads to other social concerns and problems.

INTERVIEWER: What kind of things have to change, particularly policies and programs? What has to change to make things better?

BONITA: There's been a recent announcement around AISH. They're thinking about increasing the rates of AISH. To me that speaks to a society that is thinking about supporting each other. But there is a whole other part of society that is on income support. They don't have that sort of structure in place.

The number one thing to do is change the rates so that people can survive and make a decent living. It's really about supporting and helping those at risk. This might involve an intervention in education such as free education for parents who are single and have a low income.

One of the big things right now is access to safe and affordable housing. There just isn't any. Even if you can buy or rent sometimes it's very difficult to get something that's safe; where you trust the landlord.

I think as a society we have to look at how healthy our financial support of others is. When we look at others and support them when they need it, we need to know that this is a determinate of our overall societal health. It's really helpful to our society.

When we support programs as a society there needs to be consideration given to how this might affect a rural area. How many services and supports do they have in place versus a city that might have a large number of services? We need to really focus and maybe do some equitable redistribution of funds in terms of services and support.

As a society we need to get on board and think about what this is doing to our society. Really look at the impacts of saying, "Why don't you just go get a job?" It's not difficult to look at what the impacts are and how we need to support people.

We need to educate ourselves about what the issues are regarding income disparity particularly its impact on the health system - how the health system can support and be supported – in dealing with people who are not feeling well because they've been overwhelmed with stress and stretched to the limit. How is the health system interacting and supporting them and how can we support the system?

INTERVIEWER: Are you seeing these impacts also at the middle to lower income bracket; not just among low-income and those in poverty?

BONITA: Absolutely! The middle income bracket, I'm not even sure that it really exists. It's almost like a figure eight right now. We've got the top and the bottom but no middle. In Fort McMurray you might be making \$20 an hour and anywhere else that would be exceptional but if you can't afford your rent at \$2,500 or \$3,000 then it doesn't make economic sense. So yes, the middle and the lower economic brackets are definitely impacted.