



Issue Area: Gap Between Rich & Poor

Digging a little deeper

On our website and in the summary report for Vital Signs, we have provided a number of statistics for each of our areas. Following is much more detailed data and sources for each statistic.

Overview

It is true to say that across Canada, the rich are becoming richer and the poor, poorer.

On one hand, this can be shown by statistics on falling incomes relative to the rising cost of living, increased poverty rates and higher food bank usage, and on the other hand, by the real estate boom in the second home and condo market.

According to the National Household Survey, the richest 1% of Canadians are married, middle-aged, white men and the rest of Canadians are up to their eyeballs in mortgage debt. The wealthiest 1% makes nearly 10 times more than what the average Canadian makes.

Median earnings for BC workers are lower than for their parents' generation in the late 1970s, once inflation is taken into account. BC saw the largest decline in median earnings for full-time, full-year workers of the five Canadian provinces where earnings fell since the late 1970s. And that happened during a time when the provincial economy more than doubled in real terms and real GDP per capita rose by more than 30 per cent.

It is the “gap” between these two groups that requires monitoring: a wide “gap” between the incomes of the rich and poor is unhealthy for a community.

The middle class that straddles these groups carries the burden of the rising poverty levels through increased health care costs, justice issues and education challenges. As long as the economic situation remains stable, the middle class buffers the extremes.

At its extreme, an unbridgeable gap can lead to revolution. On the scale of Golden and Area A, a growing gap could change the very character of our community and our lifestyles.

Beyond the Statistics

Looking through the statistics available for us here in Golden and Area A, we do not seem to be suffering from a large or growing gap between the rich or the poor.

That being said, it is very difficult to determine the gap between the rich and the poor because little Stats Canada data is broken down to the Golden & Area A level. A recent survey done by the Golden Women's Resource Centre shows that the average income for a woman who works full time in Golden is \$32,400; while for a man the average is \$51,056.

As well, the data does not capture the increasing population of vacation homeowners that live outside of the community, who do not file their income tax or Census form with a Golden & Area A address. Nor does it capture the many seasonal or part-time renters in Golden who do not use Golden & Area A as their permanent address.

However, it does appear that, even if the average income is lower than the national average, Golden - Area A has a stable middle class with a narrower gap between the rich and poor than most of the rest of Canada.

Meanwhile, the use of the local Food Bank has increased by 12.5% between 2012 and 2013 (Golden Food Bank Society, 2014). Many of the individuals served are families with children where at least one parent is employed full time. One third of the GFBS recipients are school-aged children. 37% of Golden and Area A recipients accessing the Golden Food Bank are employed, this is compared with a 10% average employment rate in for the rest of Food Banks in BC.

Many local residents know of someone working on a house being built with a multi-million dollar budget and many also know that there are people couch surfing because there is not enough affordable rental housing available.

The multi-million dollar real estate is almost always owned by someone who pays income taxes somewhere other than Golden and Area A, which does not show up in local income statistics. The couch surfer may also fly below the Revenue Canada radar but still be a visible part of our community.

Both edges of the gap are difficult to know with certainty.

Constraints on Analysis

In general, it is difficult to find exact statistical information about Golden and Area A. It is not naive to claim that Golden & Area A is unique among British Columbian communities. A community with strong historical and economic ties to the forest and railway, it is similar to other resource-based towns across Canada.

Located right on the TransCanada highway, we are very close and accessible to the wealth of Alberta. This has contributed to incoming wealth from vacationers and second

home owners and outgoing labour to the larger Alberta city centres and oil & gas projects.

The beauty of the Columbia Valley attracted a significant number of young “back-to-the-landers” in the 1970’s who have stayed and who also exact an influence on the culture and lifestyle of this community. Some of these people now live off the land with taxable incomes that would fall below an acceptable Low Income Cut Off (LICO).

To really look at the “gap between rich and poor” in Golden and Area requires both statistics and a critical addition of local knowledge. The undeniable trend is that we do not have huge numbers of poor or at-risk in our local population.

The Impact of Community Growth on the Gap

There will always be people in Golden and Area A who are richer or poorer than the majority of the population.

A resource-based community with its classic boom-bust cycles, and now increasingly reliant on seasonal tourism, is bound to have problems that intensify the differences between the poor and the wealthy.

We have members of the community who own large tracts of land that can be subdivided and sold. Rural Area A has some of the least demanding development regulations in the province, and has no official community plan to look towards.

Here in Golden, we are also very close to the oil-rich province of Alberta where, over the past few decades, a class of very wealthy people has grown. These ‘weekend warriors’ are being spotted more and more in town and at the ski hill.

With only a few hours travel through the virtually untouched grandeur of the mountain National Parks, Banff and Yoho, a weekend of incredible skiing and untouched wilderness has attracted a new inhabitant to Golden and especially to Area A.

It is difficult to quantify the effect these newcomers and temporary residents are having on the character of our community and how exactly the gap between rich and poor that exists will play in Golden & Area A.

Other examples of a strong part-time resident influence do exist in Invermere and in Canmore and we can look to them for what to expect.

Because of this influx in Albertan tourists we have seen jobs in the service industry increase. Typically, these jobs are only a reliable source of income on weekends and during tourist seasons and do not create the household income that allows a family to shop for quality food, considered to more expensive here than in larger towns.

A recent costing of Golden and Area A’s National Nutritional Food Basket showed an average cost of \$1227 a month to provide healthy and nutritious food for a family of four. (August 2014) In the 2011 report, *The Cost of Eating in BC*, the Interior Health Region

was found to have an average of \$832 a month, while the average for the entire province of BC was \$868.

Statistics v. Anecdotes

So, how does all this reflect a 12.5% increase in people accessing the Golden Food Bank?

Recent data collected through the annual HungerCount survey through Food Banks Canada suggests that Food Bank usage is rising not only here in Golden but right across the country. On average the Golden Food Bank serves 250-300 individuals on a monthly basis, 1/3 of these are school-aged children. Between 2012 and 2013, the GFBS saw a 32% increase in the 55+ recipient demographic.

In general, local food bank users loosely fit into a few categories:

- Older, single men, who live on fixed incomes which are barely adequate to cover rental costs and who need the food bank to meet their nutritional needs;
- Individuals living on fixed income such as social assistance, disability or other forms of assistance with no means of increasing their income;
- Single parent families who have found part-time work which is not adequate to meet family food needs; and,
- Families in which both parents work in low-paying jobs, need to pay childcare to do so and just can't make ends meet.

A 2013 report by Food Banks Canada found that on average 11.5% of food bank users across Canada are working full-time. In Golden, 37% of the GFBS registered recipients are employed. Perhaps this speaks to the higher cost of living, and lower paying or seasonal jobs available here in Golden.

It should be noted that food bank recipients are all in need of support and benefit greatly from the access of nutritionally rich and free food. Many of the individuals accessing the local food bank do not require a full hamper and are looking to supplement what groceries they already purchase for example, parents looking to pick up a few school snacks to get their children through the week of school. Most often, if an individual or family find themselves in the position to discontinue using the food bank program, they will.

As recreational opportunities increase in cost, more programs are created to ensure that those children and youth from families with low incomes can still participate.

Proposed or Existing Participation Programs

- Whitetooth Affordable Ski Program
- Golden Figure Skating Club
- Kicking Horse Culture
- Golden Museum
- Girlz Group - Golden Women's Resource Centre
- Golden Minor Soccer Association

Looking Ahead

Here in Golden we seem to be on the up and up. The recent recession is beginning to diminish and local housing is costs are beginning to rebound.

There continue to be multiple unit dwellings being built in Golden and Area A but the largest increase in affordable housing seems to be rural mobile homes. Plans to twin the TransCanada Highway between Golden and Donald could potentially bring much-needed higher paying jobs for locals in the construction field. This could potentially lead to fewer local residents needing to seek work in the Alberta oil fields to make ends meets for their families living here in Golden.

Conclusion

The gap between rich and poor in Golden and Area A does exist but is not yet great enough to pose a threat to our community diversity or stability. Seasonal and low-wage jobs play a huge role in a parent's ability to provide the basic necessities for their families. Often times, one parent will need to make the decision to begin working out of town in order to make ends meet. Now is the time for our community to anticipate the problems that other communities have experienced and develop policy and programs that will help to control the gap between rich and poor for the benefit of all. The following organizations are good resources to help find solutions:

Town of Golden Planning Department
Town of Golden Housing Committee
Golden Food Bank Society
Golden Community Resource Society
Golden Family Centre
Golden Women's Resource Centre Society
Golden & District Community Foundation
Council of Canadians
Durand Manor
Local Realtors