



**Rural Poverty Research:
Working Poverty in Waterloo Region and Wellington County**

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Executive Summary

Purpose

This report is a summary of the available literature on rural populations living in working poverty, in particular the Waterloo and Wellington areas of Ontario. In combination with interviews with researchers and service providers within these areas, the literature review has contributed to the author's insights on emerging issues and questions for future research. The main purpose of the review is to gain a sense of the scope of current research on rural poverty in Canada, and more specifically, the "working poor" in Waterloo Region and Wellington County. The committee was originally formed to develop a sustainable rural livelihood budget, meant to provide a picture of basic expenses that an individual or family living in a rural community would incur over a year. Other questions arose, such as the definition of the working poor, and factors surrounding rural poverty. Due to the more comprehensive view of poverty as supported in the concept of sustainable livelihoods, the literature review explored the complexity of the agricultural and food economy, low-wage jobs, precarious employment, issues of transportation, affordable childcare, access to affordable housing, and the labour force. The major inquiry surrounds the strengths and assets of rural communities to address these challenges.

Literature Review

Originally, the literature review was to focus on low-wage workers living in rural parts of Waterloo Region and Wellington County; however in order to put the issue in context, the review expanded to include literature from Canada and the United States. The United States were included due to the lack of Canadian research on rural poverty, and to include the recent working papers produced by the Rural Poverty Research Centre (RPRC).

Current working papers from RPRC gave a concise overview of poverty theories, community development programs, and methodological issues in rural poverty research. One report also examined the participation of rural families in the informal economy, and how families of varying socioeconomic statuses used this informal network.

Canadian research on rural poverty dates back to the 1960's, where researchers explored the issue and promoted awareness among the public. As a result, the Agricultural Rehabilitation and Development Act was created in response to the issues that emerged at the time. A 1965 assessment of rural poverty in Manitoba reveals many deficits and barriers, some of which are still prevalent in rural areas today. At that time, poverty relief programming was mainly based on the farming sector.

More recently, Segal's speech in 2006 at the Saskatchewan Institute of Public Policy emphasizes the need for public and political attention to focus on rural Canada and discusses several root causes of rural poverty.

As part of the report, it was also necessary to narrow the scope of the review to focus specifically on the 'working poor' in rural areas. This required an examination of the definitions in the literature and clarification of terms that were most commonly used. Researchers of various reports tended to create their own definition of 'working poor', some of which were more inclusive than others. The research committee originally changed the term "working poor" to "low-wage workers" due to the stigma. However, these two terms do not necessarily apply to the same groups of people in the literature. Social Development Canada has the most recent article on defining the population of working poor individuals and families using references to the number of hours worked and the LICO –IAT. The report also assesses the situation of 'working poor' families according to geographical characteristics such as rural, small towns, and urban.

On the other side of the coin was 'precarious employment' and its correlation to individuals living in working poverty. Research findings are still premature in the relation between precarious employment and the 'working poor'. The report on precarious employment (PRI-SSHRC, 2004) was vital to defining the scope of the research, as low-wage workers and the 'working poor' population overlap. Low wages and living in poverty are seen as separate phenomena. Since 47% of the individuals who live in working poverty are not low-wage workers, creating a solution solely targeted at low-

wage workers may not benefit the majority of people living in working poverty. Neither of these definitions include farm families living in poverty, due to the variety of wage rates, ownership of property, and the complex nature of their livelihoods. It is difficult to fit farm families into the current definition of the working poor.

Literature within Waterloo and Wellington was virtually non-existent. There were a few relevant reports conducted by organizations or groups in Southwestern Ontario. Much of the literature specifically relevant to Waterloo Region and Wellington County were sparse and needed to be extracted from reports related to different aspects of poverty. However, many of the same issues such as transportation, affordable housing, affordable child care, and accessibility of services were repeated throughout the existing reports. Statistical information on rural areas was also difficult to locate, as it was often combined with urban statistics, in the case of Waterloo Region.

In a recent Perth County report on working poverty (2006), the casualization of work, lack of affordable housing, access to child care, education, and illiteracy were noted as some of the major issues affecting rural populations. The lack of affordable child care was also a major theme in a report by the Waterloo-Wellington Training and Adjustment Board (2003), which assessed the needs of Ontario rural women via focus groups. In a forum held by the Social Advisory Committee of Cambridge in 2002, residents supported the idea of a universal child care system, expanding hours of services, creating more inclusive services for working poor families, bridging the gap between receiving assistance and working, improving outreach, and tax credits for child care and family expenses.

Many of the same issues were reiterated in a report published by the Rural Women and Poverty Action Committee in the Grey, Bruce, & Huron counties. This report expressed the voices of women in the community who spoke about health and social policies affecting them. The report emphasizes that women's basic needs are not met and the isolation they face.

The Region of Waterloo also conducted a food and economy study (2003) that showed the decreasing number of farms and increasing farm size. The greater use of labour saving equipment has also led to more time spent on managing the business. There are concerns of the aging of the workforce, escalating land prices, and technological developments. As an addition to the food and economy study, Gordon's research (2003) indicated the decline in young farm operators, and increase in farms that supplement income with off-farm employment. Although the public is showing more interest in how the food is produced, the perceived value of an agricultural career has declined.

Following the food and economy study, Zupko, Shearer, and Vermeulen (2004) used the determinants-of-health model to assess the well-being of rural residents in Waterloo Region. The rural health study revealed that rural residents lack the same kind of services as needed in the urban areas. Health care, transportation, opportunities for youth (including social, recreational and employment) are among some of the notable issues. Residents feel that rural areas are forgotten and they are not part of the decision-making process.

Future Directions and Recommendations

The research group needs to clarify and develop a definition that suits its interests. Placing focus on the low-wage worker will exclude almost half of the working poor population. Since the mandate of Opportunities Waterloo Region lies with the working poor, the continued use of the term low-wage worker is not recommended in terms of conceptualizing the issue and possible solutions. Also, the group may want to create a definition of working poor that caters to the rural context, one that is more inclusive of farm families.

Since much of the research on rural poverty in Canada is outdated, some studies from the United States can serve as a starting point for further research, but are limited because of major contextual differences in policies, landscape, jurisdictions and community dynamics. Research on the working poor in Canada is also limited, with very little information on rural areas and virtually nothing in Waterloo Region and Wellington

County. Based on the trends in literature and gaps, there are three possible research routes that would significantly contribute to the issue of working poverty in rural communities.

First, it would be worthwhile examining the links between precarious employment and the working poor, especially in terms of low-wages since this connection has not yet been clarified. It may yield interesting findings to investigate the difference in wages between rural and urban areas, since precarious employment may not be as common in rural areas as currently perceived. Through examining the employment situations of individuals and families in working poverty who are working low-wage jobs and those who are not working low-wage jobs, it may help to determine what factors other than low wages are involved in working poverty.

Another approach can include tracking the movement of individuals between non-working states of poverty, working poverty, and a sustainable livelihood. This may help to determine the factors that allow people to move beyond poverty, and the barriers that prevent them from moving ahead. This type of study would involve a longitudinal project, which may not be feasible depending on funding.

Lastly, the development of the budget and the use of informal resources and networks could be useful in another approach. By determining the costs of living in rural communities in Waterloo Region and Wellington County, we can investigate how informal networks and resources are being used if the sustainable living budget is not being met.

Prior to the development of any research proposal, the recommendations for the group are to: 1) create a definition of the 'working poor' that are inclusive of the rural groups they would like to focus on; 2) identify who these people are using specific criteria based on the definition; and 3) locate where these people are in Waterloo Region and Wellington County.

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Introduction

The rural research group first formed around an interest in developing a rural sustainable livelihood budget. This group is comprised of stakeholders from the Waterloo Region as well as Wellington County. Naturally, as the group continued to meet monthly, the ideas and questions that emerged have broadened. The main purpose of this review is to gain a sense of the scope of current research on rural poverty in Canada and more specifically, the ‘working poor’ in Waterloo Region and Wellington County. This report will summarize the main questions that have been raised thus far and give a detailed scan of the relevant literature. Furthermore, it will include emerging issues from the literature and recommendations. Through combining the interests of the group with the literature, I will suggest some basic starting points and relevant questions for future research possibilities.

From an organizational perspective, Opportunities Waterloo Region has already decided to support research and initiatives around the ‘working poor’ as their next project. The population of working poor still stands as the main focus of the research committee however there was a shift in terminology to ‘low-wage workers’ at one of the Leadership Roundtable meetings. The intention of this shift was to replace ‘working poor’ with a less stigmatized term. However, this shift in terminology presents some fundamental issues that will be discussed later on in the report. The following summary is based on a review of the minutes from previous meetings as well as individual discussions with some members of the group.

Evolution of the Rural Research Group: Ideas, Questions, and Perspectives

The original ideas for the group revolved around developing a sustainable rural livelihood budget, similar to one that the urban research group created. The budget is meant to provide a picture of basic expenses that an individual or family living in a rural community would incur based on a modest lifestyle. The urban budget had been

developed as part of a living wage campaign, where a wage per hour was determined using the budget as a baseline. The group needed to establish what the rationale for developing a rural budget and how to proceed. Complementary to establishing a sustainable livelihood budget would be considerations of affordable childcare, transportation, education, training, health benefits, and affordable housing. Ideally, establishing a budget can help support a quantifiable wage for rural areas, serve as a comparison with urban centres, and inform the public as well as policymakers.

In light of a more ecological approach that considers the community context, questions began to surface about rural poverty in general such as: 1) what is rural poverty? and 2) what are the factors surrounding rural poverty? The focus on working poor families expanded to embrace the more encompassing idea of rural livelihoods or how people in rural communities live, work, and play. In particular, there was acknowledgement of the informal local support systems in rural communities and how they may play a role in assisting rural families making ends meet. However, there has already been a large rural health project conducted by the Region of Waterloo (2004) which depicts the aspects of living in rural communities. The future research project should not duplicate previous work and should address current needs. As community researchers who advocate for action-oriented approaches, we must be careful not to inundate the stakeholders and community members with the same questions continuously. This can lead to a sense of futility and hopelessness from the perspectives of the research participants, as it is rare that they are able to experience changes as a result of research findings.

Main Issues

The diverse interests and agendas of the group members led to multiple perspectives and ideas for a research project. There was some interest in the financial struggles of farm families. Due to the complexities of farm incomes, the financial situation of farm families is difficult to quantify. Also, the question of whether farm families would be considered as part of the 'working poor' population is not addressed in the literature. Secondly, transportation issues were brought to the table, as transportation is considered one of the largest barriers to economic development in rural communities. The lack of public

transportation in rural areas may significantly contribute to the plight of working poor families because many jobs require access to a vehicle. Some noted that affordable housing was an issue that is of concern in the rural areas, with many families having to move to urban areas to find housing. In relation to the development of a sustainable livelihood budget, determining the portion of a family's wage allocated towards housing can be one approach to assessing the needs of working poor families. From an economic development perspective, businesses need to maintain their workforce in rural areas. Due to the increase in bedroom communities recently, a need present was seen for research on how businesses can attract workers to rural areas and how money is kept in the rural areas. 'Bedroom communities' is a term used to describe the phenomenon of earners in rural areas who commute for work to urban centres and as a result, also spend most of their money there.

The focus of the research became identifying how rural low-wage workers achieve a sustainable livelihood in the Waterloo and Wellington areas. More specifically, what are the factors that facilitate or prohibit a sustainable rural livelihood?

There are many ways that families in rural areas work around these challenges and barriers, mostly with reliance on informal local support systems. Families may use their social networks to gain access to child care, transportation, employment, health care, and many other basic needs. The functions and successes of these informal local support systems became the major question that was relevant to all aspects of rural livelihoods.

Below is a review of the literature relevant to the main question of how low-wage workers achieve a sustainable livelihood. It will begin with a broader summary of research related to rural poverty, although most of the current research is from the United States. Then, I will proceed to summarize the few national reports that are related to the working poor and low-wage workers. There are very few reports that specifically concentrate on the working poor or low-wage workers in rural communities; however there are some that focus on low-income families in general. In regards to the literature specific to Waterloo Region or Wellington County, relevant information is sparse and is

usually a small component of larger reports, on topics such as affordable housing and access to services. All of the reports and studies that are summarized in this literature review can be found in the appendix and/or references section. The substantially informative reports have been laid out in a table format with a summary of the main questions, methods used, and findings (see Appendix).

Review of Literature of Rural Poverty

Much of the recent literature on rural poverty has been initiated in the United States where a Rural Poverty Research Center (RPRC) was established in 2002. The mission of the center is to examine both the causes and consequences of poverty in rural areas and the factors affecting the success of policies to improve the self-sufficiency and well-being of lower income workers and families in rural America. The research agenda of RPRC aims to reduce concentrated and persistent poverty, reduce personal, social, economic, and institutional barriers in rural areas, thereby increasing community capacity to provide work and family supports, and increase the effectiveness of policy in reducing rural poverty. The centre produces *Perspectives*, a quarterly newsletter that summarizes recent policy-relevant research from both peer-reviewed published sources and promising working papers.

Theories of Poverty and Anti-Poverty Programs in Community Development

The RPRC has a number of working papers on rural poverty. I have selected a few that are relevant to the interests of the rural research group. Bradshaw (2006) presents a concise and examination of five different theories of poverty as they are related to community development programs as well as policy discussion. 1) The first theory of poverty is based on individual deficiencies and assumes poverty is a result of individual laziness, bad choices, or incompetence. It works around the concept that competition rewards winners and punishes those who do not work hard and make bad choices. These ideas have led some to blame the generosity of the welfare system for the perpetuation of poverty due to the lack of incentives that are seen as needed for individuals in poverty to improve their own situations. The community development response to this theory of poverty is to reduce individualized poverty by providing assistance and safety nets.

Examples would include drug rehabilitation, second chance programs, or use of training and counselling to help individuals overcome problems.

2) Another theory of poverty involves cultural belief systems that support subcultures of poverty. It suggests that poverty is created by the transmission of a set of beliefs, values, and skills over generations that are socially generated but individually held. There are different models within this theory that result in varying perspectives. The culture of poverty theory can be used to explain how government antipoverty programs reward people who are able to manipulate the system and retain welfare, thus initiating a cycle of “welfare dependency”. Anti-poverty programs can also seek to replace the culture with a more functional culture that supports productive work, investment, and social responsibility. Programs such as relocation of families living in poverty and educational programs geared towards youth in hopes of cutting off the transmission of values and beliefs stem from this model. Other interventions have attempted to work within the culture to redefine culturally appropriate strategies to improve the group’s well-being, such as initiating local crafts cooperatives or fostering entrepreneurship.

A broader level of analysis examines the impact of economic, political, and social system distortions on poverty. Theorists have explained how these systems may cause people to have limited opportunities and resources with which to achieve income and well-being. Some of this literature has linked working poverty to structural barriers preventing families from getting better jobs, complicated by limited numbers of jobs near workers and lack of growth in sectors supporting lower skilled jobs. From this perspective, there are discussions around low-wage jobs, access to benefits, and promotion opportunities. Solutions usually include: removing structural barriers to gain access to education and training for job upgrades; preventing school failure; engaging families in poverty in the political process; and changing public attitudes to decrease discrimination. There have been grassroots social movements, civil rights movements, as well as community development programs that address these causes. A popular response is the creation of alternative institutions, businesses, housing, schooling, and community banks. On the policy level, people have advocated for changes such as implementing living wage

campaigns, expanding safety nets, effective access to health care, and coordinating social insurance programs.

4) A fourth cause of poverty is dependent on geographical disparities. The focus on rural poverty is based on framing the problem according to spatial characteristics. Advocates of this theory emphasize factors such as agglomeration, distance, economies of scale, and resource distributions that reinforce differences. Discussions revolve around the lack of infrastructure in rural areas, out-migration, and the clustering of poverty. Some communities have focused on redeveloping areas by building community assets and integrating economic development in areas with housing and other spatially located factors.

5) The fifth theory of poverty is based on cumulative and cyclical interdependencies, which some consider the most comprehensive view. It discusses the spirals of poverty where problems for individual, such as earnings or housing, are interdependent and strongly linked to community deficiencies such as loss of business or inadequate schools. Factors interact in complex ways where crises have reciprocal effects between individuals and communities. Community developers have attempted to create comprehensive programs that are aimed at breaking the cycle of poverty by addressing both individual and community issues simultaneously. The article presents one such program, the *Family Independence Initiative*, that builds self-sufficiency by creating a reinforcing environment, fostering community networks, and enhancing strengths. These theories of poverty present some of the factors and considerations that may be helpful for focusing potential research ideas and connecting them to policy change and/or interventions.

Poverty and Place: A Critical Review of Rural Poverty Literature

The second document is a critical overview of the literature available on rural poverty by Weber and Jensen (2004). These authors provide an overview of the methodological and statistical challenges facing quantitative analyses in rural poverty research. Three significant findings have been apparent in the literature:

- 1) high poverty counties are geographically concentrated
- 2) county-level poverty rates vary across the rural-urban continuum
- 3) poverty rates are lowest in the suburbs and highest in remote rural areas

The report draws on both qualitative and quantitative studies. Furthermore, the studies are divided into community studies and contextual studies of the effect of living in a rural area on an individual's likelihood of living in poverty. The research suggests that living in a rural area increases one's odds of living in poverty. It highlights some urban-rural differences related to labour markets, household characteristics, and contextual factors rather than the composition of the population in the rural areas. There may also be unmeasured characteristics of rural environments that lead to worse poverty outcomes, based on a comparison of demographic characteristics. The report sums up three key needs in rural poverty research:

1) more carefully specified models that are estimated with existing data and using methods appropriate for multi-level analysis

2) additional theorizing about how social processes and institutions in local communities affect poverty odds and new data that allows exploration of the links between policy interventions and social processes/institutions in relation to poverty in rural and urban places

3) additional support for multi-method multi-site studies of rural households that allow probing of the links between policy, community-level social processes, institutions, and household decisions affecting economic well-being

Rural Poverty in Canada - Agricultural Rehabilitation and Development Act

The history of Canada's interest and initiative in rural poverty research is not as extensive as the United States, however there are a few documents that are worth considering in this context. Although these documents are fairly outdated, they are important for the historical context of rural poverty in Canada. It also gives a good overview of what

research has been conducted in the past, what strategies and approaches were used at the time, and how they may be related to rural settings in the 21st century. A Canadian project addressing rural poverty that was initiated in the 1960's by the Canadian Association for Adult Education. The Agricultural Rehabilitation and Development Administration (ARDA) compiled statistics used to define rural poverty. According to ARDA (1964), a farmer whose income is less than \$2,500 annually is considered poor, and any rural non-farmer who earns less than \$3,000 is poor. Using these cut-off lines, 177,000 out of 436,000 farms fell under the category of poverty, whereas 298,000 rural non-farm families lived in impoverished circumstances. These rural families living in poverty were found mostly near unusable land and even some areas where land is conducive to successful farming. The conditions these families lived in varied, from modest, industrious, self-sufficient, to the more traditional images of rural poverty.

There are many reasons for rural poverty. ARDA takes an ecological perspective on the factors of rural poverty, citing individual difficulties, cultures, and environments. Some did not foresee the consequences of the war and technological revolution. Others attributed poverty to chance, where some families just fall on hard times. Another individualistic outlook is that some people are satisfied with their circumstances. The health of individuals is inevitably a concern when speaking about poverty, as illness and disease contribute significantly to the cycle of poverty. Farmers who have settled on poor land or who remain too conservative to use credit are also financially struggling. There are concerns around farmers' lack of management skills and technical knowledge of scientific farming. Families living in rural poverty represented a large proportion of Canada's population who are least likely to have access to trades training, or to take advantage of it. In addition to the lack of training opportunities, reluctance to leave relatives and friends, cultural ties, force of habit, or lack of knowledge about opportunity elsewhere may contribute to the immobility of families. Lastly, from a macro-level analysis, paternalism and the mechanization of the primary industries are seen as factors in the maintenance of rural poverty. This is hardly an exhaustive list of factors that contribute to poverty; there are complex interactions that also play a role however, these

are the main ones discussed in the 1964 pamphlet published by the Canadian Association for Adult Education.

The response to this research in the 60's was an agricultural one, resulting in the development of the Agricultural Rehabilitation and Development Act. It was a piece of legislation that permitted the federal government to aid the provinces through research and finance in executing projects for the alternate use of land, soil and water conservation, and rural development. ARDA is a collaborative federal-provincial program which included the efforts of provincial administration, governmental departments, non-governmental organizations, and local organizations. The development of ARDA represents the first time in Canadian history where public and governments have been made aware of the problem of rural poverty which had previously been hidden to some degree.

Canadian Rural Poverty Research - The Case of Rural Manitoba

A 1965 assessment was conducted in a Manitoban rural area known as the Interlake District, where the needs and gaps were highlighted (Canadian Welfare Council in Mann, 1970). The assessment discusses many of these deficits and barriers are still prevalent today in rural areas. In addition, it gives a detailed description of the characteristics of this particular rural area in Manitoba that may also be similar to other rural communities. From a historical perspective, it is interesting because it may perhaps point out the successes that we have made and the neglected areas.

First, the issues of transportation and road conditions presented problems for isolated communities and were amplified in the winter season. In the past, these transportation issues also affected children from more distant locations who needed to attend school, as not all roads were safe in all seasons. There was also a noted percentage of the population did not complete high school, although some researchers have attributed this to the values of certain ethnic groups which do not regard education highly. However, many families also struggled with the costs of education and lacked the means to provide proper clothing for their children.

Concerns surrounding agriculture had brought government attention to the sector and as a result, many farmers turned to cattle ranching but did not have the financial or technical ability to maintain the industry. Some farmers would have to find other forms of employment in nearby towns to retain their independence, while their wives maintained the farms at home. There was a demand for recreational facilities at the time in the Manitoba; however the resources in the Interlake District were underused due to underdevelopment and few good access roads. Surprisingly, access to health services in these rural areas was not documented as a serious problem. The proximity to a major urban centre also assisted these rural communities, in regards to gaining access to doctors and other health physicians. However, the lack of doctors in the area became an issue in the case of emergencies and when travel was not possible.

More importantly noted in this assessment is the relation between the extent to which a family participates in community activities and their economic and social status. Lower socio-economic standings meant that families were less likely to be active participants in church affairs, community sports, school associations, and other community-based groups. Once again, the access to automobile transportation is salient in participation because it presents possibilities to travel to the city or other communities for recreation. This is also the case for youth, as they are more likely to prefer going to towns or the city to seek entertainment. Televisions were also noted as an increasingly used replacement for other recreational activities such as family gatherings and community socials. As one can imagine, some of these challenges and barriers acknowledged in the overall assessment were also issues experienced by families living in poverty and in some cases, may be preventing families from breaking out of the poverty cycle. The issue of poverty in this assessment was identified by community leaders and the families who lived in poverty. These families did not use the word “poor” to describe themselves; however, they spoke about their struggles to make ends meet. Their perception of the causes of poverty rarely referred to individual weaknesses but rather, contextual circumstances such as being a single mother. There was an overwhelmingly engagement in self-defeating activities and a sense of powerlessness. In contrast, the community leaders

viewed the families living in poverty as a result of personal weaknesses, such as alcoholism, mismanagement, laziness, and lack of ambition.

Statistics pertaining to family size, income, and occupations may be fairly outdated; however there are some characteristics that may be of interest for current research possibilities and/or updates. Farm families who combined their income from self-employment and off-farm wage work were able to reduce their expenses and a considerable portion of their food budget by using their own products. On the other hand, farm families also have higher debts than other families, due to the need to pay for farm upkeep or machinery. Out of the families living in poverty, about half were living in poor housing, much of which appeared to be old. These families were also less likely to use public health services; however there was extensive use of doctors and hospitals. The research document also noted that there was a relation between frequent illness, low standard of housing, poor living conditions, and low income. The distance individuals had to travel to work varied; however it was noted that many would travel as far as 200 miles to work. Many families who worked far from home were only able to return home on the weekends or after jobs were completed.

The report also analyzed families' informal and formal relationships within the community based on source of income. The 7 categories of families include: self-employed, wage earners, welfare recipients, self-employed and wage earners, wages and welfare, self-employed and welfare recipients, and self-employed, wage earners, and welfare recipients. The results showed that families who live mainly on self-employment are more tied to their communities than wage-earning groups, due to various reasons including investments in land and equipment, stronger family ties, and higher active involvement in community affairs. Families who were dependent on wage-earning employment and other forms of earnings were less satisfied with their situation and also showed less initiative to do anything about it. Those dependent on welfare had a higher sense of defeat and less self-respect. The common theme running across all the groups was their exclusion from a society with high production capacity.

More recently, the challenge of rural poverty were highlighted in a keynote speech by Senator Hugh Segal at the Saskatchewan Institute of Public Policy (2006). Segal names several obvious root causes of rural poverty including the closing and downsizing of primary industries, the remoteness of the communities, inaccessible roads during the winter season, the out-migration of rural youth in search of employment opportunities, and finally the lack of transportation. Segal cites Professor Tony Fuller from the University of Guelph who has examined the transportation issue extensively. The basic need for adequate, sensible, and affordable transportation is prevalent across all aspects of rural life, including gaining access to services, participation in recreation, employment, or maintaining the household. On the other side of the transportation issue is the maintenance of rural roads, which has also been neglected despite its importance for the rural economy and diversification efforts. Rural poverty has gone largely unnoticed by the public and has been neglected in the political agendas, however the problem still persists. Segal (2006) insists that rural communities in Canada cannot afford to be on the periphery of political agendas and there needs to be a renewed interest in rural issues in the national effort to eradicate poverty in Canada.

Work, Welfare, and the Informal Economy:

An Examination of Family Livelihood Strategies in Rural Pennsylvania

An interesting report related to the research group's main question analyzes the data from a survey of family households in rural Pennsylvania and examines how rural families piece together their income to make ends meet (Slack, 2006). It is often assumed that one of the strengths of rural life is the ability to maintain economic self-sufficiency by engaging in a wide range of informal economic activities. These activities include performing unrecorded work for money, bartering and other forms of non-monetary exchange, engaging in activities done primarily for the purpose of savings or self-provisioning (Slack, 2006). Particularly interesting is that the report showed that engagement in the informal economy did not differ across household income. Some researchers have even found that families with the lowest incomes are actually the least likely to engage in informal work. Among lower income households, the combination of formal work, informal work, and participation in assistance programs is the most

common livelihood strategy. The results suggest the informal economy is not simply a strategy for those who are financially struggling, but rather a specific form of economic relationships undertaken by the broader population.

Working Poor in Canada

Defining 'Working Poor'

Only recently has there been some interest in the working poor of Canada. In this report, the term working poor will continued to be used as opposed to low-wage workers, for reasons addressed later in this report. *A Profile of the Working Poor in Canada* is a working paper by Fortin and Fleury last updated in a research brief online in 2005. It gives a good critique of the commonly used definitions of 'working poor' in Canada, compares it to the definition of low-wage workers, and creates a new definition of the 'working poor' that is more inclusive. The three definitions follow as such:

National Council of Welfare: *households whose income are below LICO and earn more than half that income from wages and salaries or from self-employment*

Canadian Council on Social Development: *all adult members in a household who have 49 weeks of either full-time or part-time work between them and are under the low-income threshold*

Canadian Policy Research Network: *individual who works full-time and year round earning less than \$20,000*

Based on these three definitions and the advantages and disadvantages of each, Social Development Canada created a new definition that defines working poor individuals as those aged 18-64 who have worked for pay a minimum of 910 hours in the reference year, who are not full-time students, and whose family income falls below the LICO-IAT. Furthermore, families are considered working poor if they have at least one member who is a working poor individual. Low-wage workers, however, are categorized based on their low annual earnings. Thus, there are many low-wage workers who are considered part of the working poor population. Some live in families where the income earned by the other spouse is quite substantial. Nationally, there is only an 18% overlap of low-

wage workers who are also considered working poor. However, over half of the working poor population is working low-wage jobs (Fortin & Fleury, 2005).

Analysis of Spending Patterns and Living Conditions among Working Poor Families

Fleury, Fortin, and Luong (2005) analyzed the 2002 survey of household spending to provide a comparison of relative spending patterns and living conditions of working poor families in Canada to those of working non-poor families and non-working poor families. This may also be pertinent to the development of the rural sustainable livelihood budget and integrating it into the research.

Nationally, working poor families had the largest family size in 2002. Working poor families are more likely to increase their debt load or sell their assets whereas the non-working poor have fewer budget restraints and work-related expenses. One common theme across both categories of low-income families is that their level of expenditures exceeded their income. Half of the working poor population lives in housing that was considered unaffordable, where more than 30% of their income is dedicated to housing. Approximately 30% of the working poor do not have access to a vehicle which may seriously impinge on their ability to access services and/or obtain employment. A notable finding is that low-income families are likely to postpone acquisition of preventive services when they are on tight budgets. Cutting back on preventive services can have negative repercussions in the long run for families, health care system, and society. The report also gave a geographical breakdown, where they found that working poor families in large cities spent more on housing than in small cities and rural areas. The amount spent on food was similar across all settings, although those living in large cities spent significantly more on basic needs. Transportation expenditures in rural areas were clearly more substantial than in urban areas; however education costs were higher in urban centres. In general, working poor in small cities have better living situations than the other two groups due to lower cost of living in small urban areas.

The predicament of the working poor has been framed as a ‘double jeopardy’ position, where due to their participation in the labour market, they have both time and budget

constraints, where the non-working poor only have budget constraints. At the time of this report, there has not been investigation into how working poor families manage scarce resources to meet their needs. This gap in the research is one that the research group has already hinted at by asking the question of how workers in rural communities achieve a sustainable livelihood. This report provides some evidence and a good rationale for potential research possibilities that surround the sustainable livelihood budget and achievement of sustainable livelihoods.

The Role of Precarious Employment

The Policy Research Roundtables gathered in November, 2004 to discuss the issue of working poor and the role of precarious employment. Researchers noted that there are multiple methodologies for identifying the working poor and there are still significant disagreements regarding who should be considered 'poor' as well as who should be considered 'employed'. Work is usually examined from a perspective that considers only the experiences of an individual whereas poverty is dependent on family situations. The above definition of Social Development Canada is based on labour market attachment theory and reflects distinctions common in current government policies. As of 2004, approximately 33% of individuals aged 18-64 in Canada can be classified as working poor.

Precarious employment has been defined as a form of employment characterized by tenuous relations between employment and employees; where there is an underlying power imbalance such that employees are especially reliant on the income provided by the job while employers have minimal dependence on individual employees to maximize the flexibility of their operations. These imbalances can manifest as non-permanent employment, sporadic working hours and locations, non-unionization, limited regulatory protection, and/or low wages. In the literature, there seems to be a general connection between precarious employment and the working poor but the concrete evidence is sparse. Further research in this area may consider examining the relation between precarious employment and the working poor.

In response to this issue, there have been different policies and approaches in Canada. The human capital investment perspective advocates that governments should reinvest in training for vulnerable workers. Another view concentrates on individual earnings rather than family income; however this may overlook the need of many households and exaggerate the vulnerability of some low-wage workers. Some have argued for increases to the minimum wage but research shows that the working poor on average had wages well above the highest minimum wage in Canada, so other may argue that raising the minimum wage is unlikely to have much of an effect. The researchers at the roundtable discussed the potential of a supply and demand approach, where short-term income support can be provided through the tax system by effectively establishing an income floor that is sensitive to household needs and regional differences. Financial transfers in combination with human capital investment can make an income floor sustainable by supporting labour market attachment, upward mobility, and non-subsidized employment of individual members of the working poor. Researchers argue that the supply and demand approach is a more holistic strategy and is one that would require collaboration between governments, non-profit sectors, employers, and working poor individuals. Other current and emerging approaches that integrate both social and economic considerations should be investigated.

Low-Wage Workers in Canada

According to a recent report (Morissette & Picot, 2005), Canada has one of the highest proportions of low-wage workers after the United States. Despite the economic growth and human capital growth, the incidence of low-wage work has remained stable over the last two decades. The report discusses specific trends in the labour market and the position of economically vulnerable families that support the stability of low-wage work. The majority of low-wage workers can be grouped into five categories: single mothers, persons living alone, unattached individuals, recent immigrants, and the less educated.

In 2004, Statistics Canada published a report on low wage and low income seeking to examine the transitions into and out of low income, persistence of low income, the incidence of low wage among full-time workers, and the extent to which low wage

workers live in low income. Statistics Canada defines low wage workers as those whose composite wage rate from all jobs is lower than \$10 per hour. They found that nearly 1.4 million full-time employees aged 16-64 held low-wage positions, with the proportion of women twice as high as that of men. There is also a disproportionate number of young workers aged 16-24 in low-wage jobs in comparison to older workers. Low-wage work is far more prevalent among those with lower levels of education and those who work in clerical, sales, and service jobs, of which the majority is women. Almost half of low-wage workers are their family's major income earners and are more likely to experience low-income repeatedly.

These recent insights into low-wage employment, labour market, and low-income families are also supported by an older report written in 1997 by Schellenberg, Grant and Ross. Although there was no access to this report without paying a fee, there was an executive summary available electronically. The researchers developed a new tool for measuring poverty that enables a better understanding of which families' incomes fall below accepted living standards. The measurement tool incorporates both incidence and depth of poverty into a single measure. This report indicated that approximately 100,000 families were market poor despite having two adults in the work force and 450,000 families were market poor with one adult working full-time. There are particularly large barriers for mothers of young children, people with disabilities, older workers, and people with fewer years of education.

Working Poor and Low-Wage Workers in Ontario's Rural Communities

Perth County (Perth County Social Planning Council, 2006) conducted the most recent research to date regarding working poor in a rural area. In the report, the working poor population was defined as people who work but whose jobs pay them less than the LICO. There are several noted changes and factors in their community that play a role in the lives of the working poor. Noted is the increase in the "casualization" of work with more employers shifting towards part-time and temporary employment due to the need to be flexible and competitive. The "casualization" of work results in lower wages, limited or no benefits, no union protection, and minimal job security. Affordable housing and

access to childcare remain at the top of challenges in rural areas. It is particularly difficult for the working poor to move up in the labour force due to lack of education and illiteracy. Although farm families are not typically included in the working definitions of working poor that exist, the document discusses the financial struggles of farm families. Poverty in farm families is mostly hidden, partially due to farmers' reluctance to reach out for help for fear of others finding out. Anabaptist farmers encounter the same farm challenges; however they feel the effects more due to their large families, averaging six children. Throughout the county, there is a perception that challenges faced by the people living in urban poverty are magnified in rural areas. A smaller population means fewer employment opportunities and fewer education or training programs. It is argued that women are an especially vulnerable population because financial dependency can mean being trapped in an abusive situation for women. It is more difficult for single mothers to access training because of job and childcare demands.

There has been some focus on the needs of rural women and their experiences in the last few years. The Rural Women and Poverty Action Committee conducted a study in Grey, Bruce, and Huron County where diverse women from rural communities were asked to speak about their experience in poverty (Purdon, 2002). The women who were invited to the workshops discussed the impact of poverty, reasons for women in poverty, support systems available, barriers, future research possibilities, and women's involvement. One of the key messages from these women was that health and social service policies around transportation, shelter, and definitions of special needs are great sources of stress. The lack of adequate and inexpensive transportation, accessible social services, child care, financial assistance, employment opportunities, and educational or job training programs all contribute to rural women's vulnerability to abusive relationships. Many women and children do not have their basic needs met and are doubly isolated due to geographic location. There is a perception that it is more difficult to move out of the poverty status in a rural community and that higher paying jobs are reserved for men. As a result of all these factors, women spent a great deal of time and effort learning how to survive by dealing with a complex system of agencies and supports.

The Waterloo Region and Wellington County Context

The literature on working poor or low-wage workers in Waterloo Region and Wellington County is difficult to find because this issue is normally entrenched in other reports related to poverty such as accessibility, health, labour market, childcare, and affordable housing. The complexity of the communities including the separation of rural from urban also complicates the literature search, as much of the information is presented aggregately. The following summary of documents presents a contextualized description of the respective communities.

A fairly extensive study on rural health conducted by Zupko, Shearer and Vermeulen in 2004 used the determinants-of-health model as a framework. They spoke to various groups across the region including low-income families, youth, seniors, people with disabilities, farmers, conservative Mennonites, as well as Low German speaking Mennonites from Mexico. The rural culture in Waterloo is characterized by self-reliance and resilience, pride and privacy, strong influence of spirituality and the Mennonite culture and values. Residents highly valued social support and sense of community but preferred to handle problems on their own, rather than seek assistance. According to the participants who were interviewed, they saw rural life as different; many people had a love for the rural landscape and lifestyle with open spaces, closeness to nature, fresh air, quiet, as well as connection to time and place. Living in a rural setting also comes with inconveniences; however these were seen as a “trade-off”.

Community residents are concerned with the changing nature of rural life. With the rise in bedroom communities and closure of schools, residents are worried about the erosion of sense of community. The population growth and increase in residential development has substantially impacted the growth, land use, development, planning and contributed to urban encroachment. Farmers are facing major financial concerns due to a competitive market. Farmers endure high levels of stress due to fluctuating prices, unpredictable weather, impending environmental regulations as well as their need to work off-farm jobs to make ends meet.

The *Growing Food and Economy Study* by the Region of Waterloo (2003) showed the number of farms decreasing and farm size increasing. There is a greater use of labour saving equipment and processes to improve productivity, which results in more time being spent on the business management component of agricultural operations. Concerns surround the aging workforce in agricultural work and the difficulty in attracting young people into farming. More farms today need to derive a portion of their income from off-farm employment. The costs of farming are increasing due to escalating land prices, especially near rapidly urbanizing areas, and technological advances such as biotechnology and high tech farm equipment. Furthermore, the role of a farm operator has changed significantly due to these advances in technology. In regards to farm productivity, the Waterloo Region reported \$379.6 million in total gross farm receipts in 2000, where Woolwich reported the largest share of total gross farm receipts followed by Wilmot and Wellesley. The agricultural sector directly supported 3,450 jobs (1.5 %) in the Waterloo Region including farm operators/managers, farm employees, and support activities related to farming.

Complementing this large report on food and economy, a study of the labour market in the agriculture sector (Gordon, 2003) noted that the workforce of the agriculture sector is significantly older and is aging more rapidly than the total national workforce due to the decline in young farm operators. The proportion of Canadian farms that supplement their income with off-farm employment has also risen significantly. In 2002, 68% of farms had at least one adult member working in non-farm employment. In general, the perceived value of agricultural careers has declined over the years; however recent research shows that consumers are showing more interest in knowing how their food is produced. Some farmers have expressed the opinion that non-agricultural residents have little understanding of farm operations, thus diminishing the support system for the farm population (Region of Waterloo, 2003).

At the top of the list of challenges is affordable housing; people are forced to move to cities where these resources are more accessible (Zupko, Shearer, & Vermeulen, 2004). The issue of affordable housing is also supported by a community needs and capacity

assessment done in the Woolwich and Wellesley townships (Kohler, 2005). In 2001, 27.7% of Woolwich tenant households spent 30% or more of their income on gross rent and this proportion was 15.15% for Wellesley Township. It is seemingly the case that individuals and families with low incomes must mostly leave the township in order to find affordable housing. Residents of Woolwich and Wellesley also described rural poverty as harder to identify or track because there are many farmers and low-wage workers who are not eligible for Ontario Works. A document on housing in Guelph and Wellington County (Social Services Department, 2005) also noted the high costs of housing in the area. While household incomes in Wellington-Guelph have increased, many have been left behind and cannot afford market prices; most of these are persons living alone, female lone parent families with young children, and persons with low-paying jobs.

Residents in the *Rural Health Study* noted that the same kind of services that exist in urban areas are needed in rural communities as well; however there needs to be more integration and outreach (Zupko, Shearer, & Vermeulen, 2004). Organizations are struggling to keep up with the demand and with the shortage of physicians; many residents need to travel out of the community to seek health care. Again, the reiteration of the transportation issue was also evident in this report; transportation was noted as a major barrier to accessing various services and resources. Lastly, there is a lack of social, recreational, and employment opportunities for youth. Overall, residents felt that rural communities have been forgotten and that decisions are being made by people with little understanding about rural livelihoods.

The data from the *Rural Health Study* (Zupko, Shearer, & Vermeulen, 2004) was reanalyzed in 2006 with the focus on service accessibility in Waterloo Region. The financial struggles of farm families and the need to address transportation issues were reemphasized in this shorter report. Most residents would welcome some sort of public transit system to combat isolation, car dependence, boredom, hunger, and the increasing rural-urban rift (Miedema & Zupko, 2006).

The needs of Ontario rural women were assessed in a report that was published by Waterloo-Wellington Training and Adjustment Board recently (Garven & Associates, 2003). They conducted 13 focus groups throughout rural Ontario, including Wellington County. Women spoke about some of the trends regarding employment barriers and skills gaps that rural women experience. The barriers that were noted are similar to the rest of documents regarding rural challenges. The realities for these women include lack of opportunity, permanent positions, experience, high-paying jobs, government support, language skills, training programs, as well as physical disabilities and other health concerns. Women experience high levels of stress and depression in addition to living in an environment that they perceive as chauvinist. The trade professions are still male-dominated and there is the belief that women should “stay down on the farms”. The nature of training opportunities also makes it unfeasible for women to access them; inflexible training times make it impossible for women who have family commitments to take advantage of these programs. Meeting needs for transportation, funds, high-speed Internet, networking and post-secondary education could help to facilitate bridging the gaps. Employers need to attend job fairs and form partnerships with educational institutions. Complementary to this, women also need support in gaining full-time positions, acquiring child care, and flexible compensation packages.

Child care and family commitments is one of the biggest challenges, especially for single mothers. According to a recent document on child care affordability in Wellington and Guelph, it can cost anywhere between \$28 and \$50 per day, depending on the age of your child; the younger the child is, the higher the costs. In Guelph and Wellington, approximately 14% of licensed spaces are funded by subsidies. A recent survey showed that almost half of the parents surveyed who would rather use licensed child care cannot because of the cost and instead, these parents turn to unlicensed child care (Ontario Municipal Social Services Association, undated). Equitable access to high quality child care that is affordable plays a large role in encouraging women to participate in the workforce; it is important for the lifelong development of children and supports the educational and social needs of families.

In 2002, a forum held by the *Social Issues Advisory Committee of Cambridge* that included 70 participants, from agency staff to community residents. Participants discussed the supports that are currently available, the main issues, their needs, and potential action steps. The findings reflect the emerging the themes that were salient in many of the other documents; however participants were able to take a step further and suggest future actions. According to this report, the working poor are the fastest growing segment of the population with approximately 14% of all people living in poverty holding full-time full-year jobs (Social Planning Council of Cambridge & North Dumfries, 2002). Some suggestions included investing in a universal child care system, expanding hours of available services, implementing inclusive human services for the working poor, bridging receiving social assistance and working, improving outreach, and tax breaks or credits for child care and other necessary family expenses.

Emerging Issues and Questions

Working Poor vs. Low-Wage Workers

Originally, the term ‘working poor’ was changed to ‘low-wage workers’ as a way of addressing the stigma that might be attached to the former term. As I proceeded with the literature search, I found a huge discrepancy between the terms ‘working poor’ and ‘low-wage workers’; therefore these two terms are not synonymous and cannot be used interchangeably. The working document by Fortin and Fleury (2005) presents the best explanation for this discrepancy. First, they develop their own definition of working poor by assessing some of the most commonly used in Canadian literature. According to the researchers, the definition by the Canadian Policy Research Network would be the closest to the concept of a low-wage worker. Low-wage workers are individuals whose annual earnings are low even though they have worked for at least 910 hours in the reference year. A working poor individual, in contrast, is an individual whose economic family income falls under a poverty threshold.

The difference between working poor and low-wage workers can be explained by considering two fundamental issues. The income of a low-wage worker is used to determine whether s/he falls under low-wage. In contrast, the income of “all individuals

related by blood, marriage or adoption” to a working poor person who share a common dwelling unit is used to determine if s/he lives in poverty. For one reason or another, low wages and living in poverty are seen as separate phenomena by their definitions. This may in part have to do with the lack of evidence that exists to support their connection to each other. A diagram in the Fortin and Fleury (2005) working paper depicts the proportion of low-wage workers, the proportion of working poor, and how these two groups overlap. Of the 1,400,000 low-wage workers in Canada, only 18% are also considered working poor. The reverse shows that more than half of the working poor population (53%) is low-wage workers. However, this means that there is still 47% of the working poor population who are not low-paid. Furthermore, the majority (82%) of low-wage workers are **not** living in poverty. From an intervention perspective, designing a program to assist low-wage workers may not benefit the other 47% of the working poor who are not low-paid. Researchers have questioned the usefulness of raising the minimum wage as a solution for assisting working poor families (Policy Research Roundtables, 2004).

This issue of raising wages brings us to the second consideration when defining low-wage workers. Statistics Canada (2004) defines low-wage workers as those whose composite wage rate from all jobs is lower than \$10 per hour. It is important to point out that the average wage rate of heads of working poor families is \$11.66. This number is not only higher than the wage Statistics Canada has set but it is also significantly above any provincial or territorial minimum wage in Canada. Thus, there needs to be a critical examination of how low-wage workers and working are poor defined. Moreover, the connection between these two groups is not clear and there is a lack of quantitative support showing the relation.

The definitions also create a problem in reference to rural poverty and rural contexts. The definitions of low-wage workers as well as working poor do not include farm families who are financially struggling. According to a 2005 labour market profile of Waterloo Region and Wellington County, farmers and farm managers are paid an average of \$12.85 per hour (Gordon, 2005). Other farm employees such as supervisors,

specialized livestock workers, general farm workers, and harvesting labourers make anywhere between \$9.90 and \$14.80 per hour. The majority of the positions in agriculture on average earn at least \$10.00 or more an hour, which would not support a case for categorizing them under low-wage workers. In the literature, farmers have mostly been separated from the working poor population for unspecified reasons; however it could be in part due to their ownership of property and assets or the complexity of their livelihoods. Though there has been some acknowledgment of farmers' financial struggles and farmers who live in poverty, it is far more difficult to fit them into a definition of the working poor in the way that the definition has developed.

It would be beneficial for the research group to investigate the different definitions and either choose one that best suits their interests or to create a new one. Realizing that this is an on-going debate, it would be best to choose a definition best suited to the purpose of the research and how it will be relevant to policy and/or intervention. Since the mandate of Opportunities Waterloo Region still lies with their initial interest in the working poor, it is highly unlikely that the focus will be on low-wage workers as this excludes almost half of the working poor population. I do not recommend the continued use of the term 'low-wage workers' since this only includes a subgroup of working poor individuals and may conflict with the terminology that has already been established. Furthermore, policy-makers have traditionally approached these two groups from different perspectives. Since there is not extensive research on rural poverty in Canada, the research group may want to create a definition of the working poor that caters to a rural context and includes farm families. The development of the sustainable livelihood budget can play a key role in providing a realistic regionally based cut-off line in which farm families might be included. Also, the number of hours worked might be a consideration in a definition for rural working poor. Many farmers work around the clock and participate in off-farm employment in order to make ends meet, however this presents a problem in terms of maintaining a balanced life and well-being. Just as a person should be able to maintain a sustainable livelihood if s/he is working full-time, a person should not be expected to work so many hours such that they are unable to maintain a balanced life.

Gaps in Research

There are several gaps in the research on rural poverty, starting at the national level and also, at the local level. Historically, Canada only initiated some interest in rural research in the 60's which leaves room for several decades of updates that might be needed.

There are many studies that have been generated from the United States at the Rural Poverty Research Center; these can serve as a starting point for researchers to gather a good understanding of the urban-rural divide. Though the studies are not completely transferable due to major contextual differences in policies, landscape and community dynamics, it will be interesting to examine the similarities and differences.

There has also been very little work done on the working poor in Canada. The research on the working poor has been limited, with the exception of the working paper by Fortin and Fleury (2005), which was originally presented at a conference in 2004 and updated in 2005. The Canadian Broadcasting Company recently had a special report on the working poor in 2004, where they focused on issues such as wages, seniors, casualization of work, recent immigrants, affordable housing, and single parents. Much of the CBC report was based on studies released by Statistics Canada; however they also documented stories of families who could attest to working and living in poverty. Perhaps research interest has strayed from the working poor in Canada because of the fundamental issues with definitions of workers and poverty. There is even less research on the working poor in rural areas, which matches the lack of research on rural poverty in general.

Information on rural residents who live in poverty is sparse and appears in documents that are related to affordable housing, access to services, health care, or child care. However, these documents rarely separate the non-working poor from the working poor population and these people living in poverty are generalized as a whole. There has not been any national research to date that compares the outcomes of non-working poor families to working poor families. With the exception of the Fleury, Fortin and Luong (2005) article that analyzes the spending patterns and living conditions of the working poor families in Canada in comparison to non-working poor and working non-poor families, there has been very little research that documents how the experiences and

challenges faced by the working poor and the non-working poor may differ. There is also a lack of evidence that examines the relation between low-wage positions and the working poor. Furthermore, the link between precarious employment and the working poor is still unclear and warrants future research. By gaining a better understanding of how different employment situations are related to working poverty, we will be better able to inform policy-makers and develop community solutions that are effective and sustainable. There are many options and routes for the research group to choose from if the focus remains on working poor in rural communities.

3 Possible Research Routes

Since the relation between precarious employment conditions and the working poor is still fairly vague, examining the links between the two may be of interest to the groups, specially in terms of employment that is low-paying, as over 50% of the working poor population are low-wage workers nationally. Acquiring a regional statistic and breaking it down further into rural and urban areas may help to enhance understanding. Other manifestations of precarious employment such as part-time work, temporary positions, and contract work are also worth investigating. Carol Simpson, the Executive Director of the Waterloo-Wellington Training and Adjustment Board, suggests that there may be some indication that precarious employment in rural areas is not as common as one would think due to the smaller population of skilled and experienced workers available. If the research group were to focus on low-wage employment, it would also be interesting to examine the difference in wages between the rural and urban areas.

According to Simpson, one might find a large wage discrepancy for the same employment positions depending on whether they are located in rural communities or urban communities, where positions are lower-paid if they are in a rural area. This may result in a higher overlap between the working poor population and low-wage workers in rural areas, which is not necessarily the case nationally. Locally, this could result in some advocacy for a raise in wages in combination with other supports in place. It will be especially important to investigate the other types of situations for working poor individuals or families who are not low-wage workers. If the other working poor families

are indeed in working conditions that are commonly linked with precarious employment, then there could be some local solutions that are aimed at encouraging employers to creating more permanent positions, support in accessing child care, contributing to affordable housing or providing health benefits. The link to precarious employment may be answered through 2 questions:

Who are the individuals and families in working poverty who are working low-wage jobs? Who are the individuals and families in working poverty who are not working low-wage jobs and what are their employment situations?

A conversation with Natalie Norman who is a Program Manager at 2nd Chance Employment Counselling in Fergus, suggested that another approach to the main research question can include tracking the movement of individuals between non-working states of poverty and working poverty. According to a study that analyzed data from the Survey of Labour and Income Dynamics, nearly one-third of Canadian workers were in low-paying jobs in 1996 and by 2001, only 47% of these low-wage workers had moved out of their low-paying jobs (Janz, 2004). Moreover, men were twice as likely to move up as women and the 53% of workers who remained in low-paid positions were more likely to be older women and those who had only high school education or less. According to Norman, women are more comfortable with seeking help whereas there are more barriers for men, who tend to have a different mindset. The most common barriers that exist in Wellington County (Mount Forest, Arthur, Fergus, Palmerston, Harriston, Erin-Rockwood) include lack of experience, confidence, specific training, computer literacy, and transportation means. Even individuals with access to vehicles will not take positions that are a long distance because they are intimidated by winter driving. In addition, there are fewer opportunities and many companies use temporary employment agencies to hire employees.

Unfortunately, the agency was not able to provide any statistics regarding the average wage clients earn nor did they keep track of the typical kinds of jobs clients hold. Norman was able to comment that the majority of the females that come through their

office seek office/administrative work and/or want to update their computer skills. In contrast, the majority of males seek manufacturing or skilled labour work (general labourer, welder, carpentry). By tracking the movement of individuals and/or families who move from non-working poverty to working poverty and in some cases, to a sustainable livelihood, we may be able to determine the factors that allow people to move beyond working poverty and also discover the barriers that prevent people from moving out of the working poor status. The main question here is:

What combination of factors and circumstances result in individuals becoming a member of the 'working poor' and conversely, what combination of factors and strategies are involved in maintaining a sustainable livelihood?

The disadvantage in tracking members of the working poor population is the need for a longitudinal study which is very time-consuming and expensive, which may not be feasible depending on the funding that is available.

In regards to the development of the budget, it would be reasonable to integrate the budget as part of the research. By creating a detailed list of expenditures that would exemplify a sustainable livelihood in a rural community, we are able to show the gap between the average income of working poor individuals and families and the amount that is required to maintain a sustainable livelihood. Furthermore, the research can look into the strategies that working poor individuals and families may be using to make ends meet or their participation in the informal economy. This may be similar to the study that was done in rural Pennsylvania that quantitatively assessed the participation of rural families in the informal economy according to income status. A complementary qualitative study can provide depth by seeking to interview people who are able to speak about the different ways they are able to maintain a sustainable livelihood. A report by the Family Independence Initiative (2004) was able to calculate the economic value of social capital by drawing on a case study that compares a family's expenses and income against the regional cost of living index. Researchers found that the family was able to cut \$1,377 from their expenses and earn an extra \$1,700 through using the resources

provided by their informal networks, thus putting the dollar value of social capital at \$3,077. As illustrated in many of the studies, rural communities do participate in the informal economy and also place sense of community high on their list of values. The value of the informal network system in rural areas can help to support interventions and policy change that build on social capital and strengths that already exist within the rural communities. By integrating the rural budget into the research, it provides researchers with a concrete and contextualized measure of sustainable living for the following questions to be answered:

If individuals and families are not able to meet the sustainable living budget, how do they make ends meet? How does the informal network and economy play a role in sustaining a livelihood?

Possible Starting Points

The first task of the rural research group should include defining the population that is of interest to all the members. Clarification of low-wage workers and the working poor should be established at the beginning, such that there is an understanding of how these two groups overlap but are considered two separate groups. This is important for policy change or intervention as catering to one group may not necessarily include individuals from the other group. Though the definition of poverty, and certainly working poverty, are on-going debates, the group will still need to choose a definition that best suits their research purpose. Some considerations for the group may be how a definition will be appropriate for an intervention or a policy perspective. This may require the development of a new definition that takes into consideration the rural context and in particular, farm families who may be living in poverty.

Once a definition of the population of interest has been established, there will be more specific criteria that can be used to identify individuals and families as working poor. Defining who the working poor are will help to locate the working poor in the relevant communities. It is also a way to examine the urban-rural difference in Waterloo Region. This comparison will be complementary to the development of the sustainable livelihood

budget and the group's interest in the rural informal networks. In an August meeting, the group decided to determine whether they could extract data from the national census that would help to locate where the working poor would be accordingly to the varying criteria in the four definitions referred to in this report. I followed up with Census Canada and found that the information is fairly detailed and would require geographical coding that can be done at a cost.

There are many options for research in this area thus it is important to remain focused on a specific group that is clearly defined in order to provide the evidence for any future recommendations or solutions. The next steps for the research group are:

- 1) choosing or creating a definition for the 'working poor' that will include all the groups of interest;*
- 2) identifying who these people may be using specific criteria based on the definition; and*
- 3) locating where these people are in Waterloo Region and Wellington County.*

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