

## **We simply can't afford the costs of poverty**

**Dr. Trevor Hancock**

**4 January 2015**

One of the most important consequences of the poverty that Sarah Petrescu has been documenting in this newspaper is the health impact. It is no secret that poverty is bad for health. But just how bad, and the societal consequences, is perhaps less well understood. So here are some basic facts about poverty and health in Canada and in BC:

- The poor die young. Men living in the poorest 20 percent (quintile) of neighbourhoods in Canada in 2005-7 (the last years for which this data was made available) had a life expectancy at birth of 75.6 years, but 80.3 years in the richest quintile, a gap of almost 5 years; in BC it was 76.3 years versus 80.9 years. For women, life expectancy was longer and the gap smaller: 81.7 versus 84 years in Canada, 82.1 v 84.8 years in BC.
- A 2008 report from McMaster University found that children living in poverty are three times more likely to experience mental health problems than those not living in poverty.
- In 2010-11, the lowest income quintile of Canadians experienced 1.37 times the rate of hospitalisation for heart attack and 1.27 times the rate for injury.

It is not hard to understand why those living in poverty have worse health and die younger than their better-off fellow citizens. They are much more likely to experience food insecurity, live in less safe and healthy housing and neighbourhoods, be less well educated, and have more unstable and unhealthy work. Its hard to be healthy in such circumstances.

Of particular concern is the health status of Aboriginal People. As BC's Provincial Health Officer has reported, life expectancy in BC in 2006-10 among 'Status Indians' was 74.7 years, 6.4 years lower than in non-Aboriginal people. Not only are they often dealing with the same issues of poverty, they are further harmed by a history of colonisation, racism, dispossession of land, and loss of culture and self-determination. This is a topic I will return to in more detail in a future column.

The scale of the health impacts of poverty is very large. Indeed, if we look at poverty as a risk factor for disease and early death, it ranks right up there with smoking, which we usually describe as the most important cause of preventable death and disease. This suggests that poverty reduction should be as important to society as tobacco reduction has been.

But it is not just that the poor experience a greater burden of disease and early death than the non-poor; there are social and economic costs that follow. When the Canadian Centre for Policy Alternatives looked at the total costs of poverty in BC, they estimated that the direct health costs alone were \$1.2 billion, or almost 7% of the health budget.

And when they added up all the costs, which include costs due to poverty-associated crime and reduced economic activity (lost production, lost income and lost tax revenues), they concluded that poverty costs between \$8.1 and \$9.2 billion per year. This is more than double what it would take to markedly reduce poverty by investing in a poverty reduction strategy. In short, poverty is so expensive, and such a drag on our economy, that we simply can't afford it!

It is not just the CCPA that reaches such conclusions. The Conference Board of Canada – hardly a hotbed of radicalism – in its report on *How Canada Performs*, points to a 2005 OECD report that

states “failure to tackle the poverty and exclusion facing millions of families and their children . . . will also weigh heavily on countries’ capacity to sustain economic growth in years to come”.

The massive health and social costs of poverty are the reason that BC’s Health Officers Council and the Public Health Association of BC have joined their voices with many others in calling for a poverty reduction strategy. Sadly, BC is now the only province that does not have such a strategy.

At a time when we are concerned with the sustainability of our health care system, reducing this additional burden of disease should be a priority for governments. Responsible public policy requires reducing poverty to reduce the economic costs of the health consequences of poverty. The added benefits of reduced costs elsewhere and the gain in human potential and social wellbeing are additional benefits we should be reaping.

© *Trevor Hancock, 2015*