

# DASHED DREAMS NEW REALITIES

CALGARIANS TALK FRANKLY ABOUT THE IMPACT OF THE ECONOMIC DOWNTURN

A report sponsored by:

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# DASHED DREAMS NEW REALITIES

CALGARIANS TALK FRANKLY ABOUT THE IMPACT OF THE ECONOMIC DOWNTURN

## **Dashed Dreams, New Realities: Calgarians Talk Frankly about the Impact of the Economic Downturn**

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Cover design and layout by Everett Wilson.

ISBN 978-0-9730197-5-9

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## Purpose of this project and report

Earlier this year representatives of several Calgary-based organizations decided they wanted to know more about how the financial crisis and recession (the deepest since the 1930s) was affecting individual Calgarians. Unlike previous recessions, this one was global but it was affecting Alberta in a particular way. The price of oil and natural gas was sinking, oil sands projects were being put on hold, and unemployment was rising after several years of unparalleled economic growth. People who had been counting on investments and savings to carry them through after retirement felt cheated as they watched the value of their portfolios shrink. As the stress and uncertainty mounted, more and more people turned to various social service agencies. The Calgary Counselling Centre, for example, saw a 40 per cent increase in stress related calls during the first three months of 2009. As they faced increased demand for their services, agencies worried that both private sector and government funding would soon be cut.

Since the crisis seemed to hit almost overnight, and since rumour and speculation abound during uncertain times, it was difficult to know if everyone was affected in the same way or if only a small sector of society was feeling the pain. Without solid information it was difficult to know what to do for those hardest hit; whether short term or long term solutions were in order.

There was only one way to find out: ask people how the crisis was impacting their day-to-day lives and then listen carefully to what they had to say. It was decided this could best be accomplished by organizing several focus groups and recording their deliberations.

The original organizing committee anticipated several themes would emerge during the discussions. Among them: that participants would want to hold governments, corporations or certain business leaders accountable for the crisis; and that there would be specific suggestions regarding necessary changes to social, education, economic and fiscal policies to help people deal with the impacts of the recession, and to avoid future economic crises. But it didn't exactly turn out that way.

Instead, we discovered that most people were too busy trying to deal with the day-to-day problems brought on by the economic downturn to think about the immediate past or the future. We also discovered that while some Calgarians were unaffected by the recession, many had been hit hard and were still reeling from loss of work, reduced income or the fear of soon joining the ranks of the unemployed and poor.

During the initial stages of this project the organizing committee had anticipated that it would issue a report on the deliberations of the focus groups as well as several policy recommendations for municipal, provincial and federal governments to consider. However, once it became clear that the themes and ideas emerging from the focus groups were not what had been anticipated, and that participants were really grateful to have been asked their opinions, it was decided that the focus group deliberations could be used as a springboard for further discussion in the community.

We recognize that a few weeks after the focus group discussions, the Bank of Canada declared that the recession is over. The central bank's governing council forecast economic growth of 1.3 per cent for the current quarter, ending Sept. 30, followed by a healthy three per cent gain for the final three months of 2009. However, it remains to be seen if that growth will in fact happen, and how Alberta will be affected. Even if the economy does grow rather than shrink, unemployment is expected to rise in the interim.

Credit will remain tight for some time. And people who lost their jobs or experienced reduced income at the height of the recession will no doubt struggle for some time in order to recover from the impact of those losses.

We therefore present this report on the results of the focus group deliberations with plans for more discussion about the impact of this economic downturn. We are confident that down-to-earth, significant policy recommendations will emerge as more people get involved and talk frankly about their hopes and dreams for themselves, their families, and their communities.

# INTRODUCTION

During April and May of this year, ten focus groups were organized under the auspices of Alberta Global Forum, Calgary Counselling Centre, Calgary Foundation, Canada West Foundation, and the Sheldon Chumir Foundation in order to determine how the recession was impacting Calgarians. In total, 83 people participated in two-hour focus groups. They were invited by various social service agencies who worked with the organizing committee. In addition, observations from about 35 other Calgarians were also noted for this report.

Participants represented a cross section of ages, incomes, occupations and ethnicity. Some participants had lived in Calgary for decades, others were more recent arrivals. Facilitators of the focus groups guided the discussion by asking four main questions.

1. How has the recession impacted you personally?
2. Has the recession brought changes to society's institutions and/or values?
3. What do you think we need to do now?
4. Where do you see yourself a year from now?

Many issues arose during the vigorous discussions that ensued. Participants were both frank and thoughtful and seemed genuinely pleased that their opinions were being sought. Many people shared personal experiences; they talked openly about their wages and salaries, about their worries for their children, or their parents. Each focus group had its own dynamic and flow but in general five themes dominated the discussions.

1. Issues resulting from loss of employment or reduced income.
2. The shredded social safety net.
3. The lack of ordinary/affordable housing.

4. The upside of the economic downturn.
5. The shift in societal values.

Minor themes also emerged. Some people thought that lower taxes would help them get through the crisis. Other participants were quick to blame immigrants and temporary foreign workers for their troubles. Employees in the oil and gas sector said life in the office towers is extremely stressful these days. However, people who had lived through the recession of the 1980s were quite confident that the economy would eventually turn around.

The five dominant themes will be expanded upon

in the body of the report. Specific information and quotes from participants are included as well as summaries of discussions pertinent to each theme. As you will see, the focus group discussions left no doubt that the recession has impacted Calgarians much more deeply than is portrayed by the news media or corporate and government leaders.



# DOMINANT THEMES EMERGING FROM FOCUS GROUP DISCUSSIONS

## 1. REDUCED EMPLOYMENT AND/OR REDUCED INCOME

Between 2002 and the first half of 2008 Alberta experienced record breaking economic development. Even the experts predicted that the province had outgrown its boom/bust economy and would be able to power through the decades ahead. Wages, business investment, corporate profits, migration levels, real estate, and consumer prices were all hitting remarkable highs, and the standard of living in the province was beyond most Canadians' wildest dreams. In 2005, Alberta per capita GDP – a common measure for standard of living – was \$66,275, almost double the level a decade earlier, and 56 per cent above the national average. People (and investment dollars) poured in from all across the country and all over the world confident that Alberta would provide endless opportunity and prosperity. Only last year Calgarians were complaining about the downside of what seemed like an endless boom; high housing prices; crowded schools and hospitals; inadequate roads and public transportation.

By the last half of 2008, however, it was clear the boom would indeed end. Oil prices plummeted from a peak of almost \$150 a barrel in July to lower than \$40 in December. Natural gas dropped from \$13.50 to around \$3.75. Following the near-collapse of several key financial institutions in the U.S, credit tightened and many large real estate projects had to be capped. Drilling for oil and natural gas slowed significantly; multi-billion dollar oil sands projects were mothballed. As investment spiraled down, the value of pensions and RRSPs dwindled along with it. Consumers cut back on their spending. Businesses laid off employees. Within six months Alberta's international exports were almost cut in half, the provincial government announced it would be facing its first deficit in a decade, and the unemployment rate nearly doubled.

Alberta's unemployment rate now stands at 7.2 per cent (August). The national unemployment rate is 8.6. Between May 2008 and May 2009 the number of Calgarians receiving Employment Insurance (EI) more than quadrupled from 4,130 to 18,150. But the unemployment statistics don't tell the whole story.

Focus group discussions revealed that the financial and emotional strain related to unemployment, fear of unemployment or reduced income is affecting a much wider swath of Calgarians. Many focus group participants had either been laid off, had their part-time hours reduced, or feared that they could find themselves out of work in the near future. Almost everyone in the focus groups had either experienced recent job loss, or knew of a family member, friend, or neighbour who had been laid off.

A single mother of two children who held two jobs in food services and was earning \$60,000 a year lost both jobs at once. A married electrical engineer with two teenage sons said he had been laid off after five and a half years with his employer. A senior said: "One of my neighbors, a single woman with huge knowledge of the oil fields, lost her job. She can't find anything, even at Walmart. She's getting to the panicky stage." A woman who lost her job said she had a friend "who had a really nice house in Douglasdale, nice truck, furniture but was now down to living in his parents' basement."

Employees in the oil and gas sector who have kept their jobs reported that work now equals extraordinary stress. Those who are working don't know if they will keep their jobs...other people leave on Friday and don't know what their job will be on Monday. Those who survive have a much larger workload and wonder how long they will be able to cope with the pressure.

Students who could count on summer jobs to pay for tuition and perhaps serve as an introduction to a

“I’m too old to be retrained and too young to retire. I don’t know how I’m going to manage. There’s no hope for my age bracket. It’s awful. I don’t know what I am going to do.”

future career, find that bridge has been closed. Those who grew up during the most recent boom never had to compete for jobs. Now competition is so intense many recent graduates can’t find work in their field. People who want to go back to school to retrain or develop a new career find that without a job, or significant savings, the tuition fees and the cost of student loans are just too high.

### **TOO OLD TO RETRAIN, TOO YOUNG TO RETIRE**

Some participants in the 55-plus age group found themselves in a double bind. They had lost money on their pensions, RRSPs, or investments due to the meltdown in the financial markets. If they were already working, they realized they would have to work for a few more years instead of retiring. Others found themselves with reduced investments, out of work, and with few prospects of finding work given their age. “A dollar only goes so far when you are putting away for your elder years and somebody takes away a quarter of it? My husband has been retired for ten years and he’s lost a lot...he’s working at Home Depot now...we both have advanced degrees but it is the only work he could get,” said one woman.

Another woman reported that she had worked in warehousing for 30 years but lost her job after she suffered a stroke. She soon found herself living in a homeless shelter because she couldn’t pay her rent. “I’m too old to be retrained and too young to retire, can’t get my pension. I don’t know how I’m going to manage. There’s no hope for my age bracket. It’s awful. I don’t know what I am going to do,” she said angrily. One man in his 50s who had retrained a few years ago but was recently laid off said “my professional dream is over.”

Older focus group participants with high incomes appeared to be the

least affected by the recession. Some said that despite losing money on investments they were still able to maintain their usual lifestyle. Professionals such as lawyers and doctors also remain largely unaffected in terms of income.

Some participants said there is still plenty of work out there, especially if a person is willing to do anything to keep food on the table or a roof over his head. “I’ll shovel shit if I have to before I see my house foreclosed,” said one middle-aged man. Others said the competition for jobs was intense. An executive director of a not-for-profit organization said she got 65 applications when she advertised for an executive assistant. One young woman said she took her resume into a retail outlet and it was promptly thrown in the waste basket by an employee. One man said you practically need a university degree just to get a dishwashing job.

### **IMMIGRANTS AND TEMPORARY FOREIGN WORKERS**

Some of the focus group participants were recent immigrants and they appeared to have a harder time finding and keeping work than other participants. One man who had been looking for work for months and eventually hopes to start his own business said: “The relationship with my family has been difficult. They think that I am not trying hard enough. It’s draining. I wish the economy was like how it was last year.” A young woman who emigrated with her family from the Philippines 18 months ago, said it was heartbreaking to watch her parents who are in their 50s, have to become cleaners in order to earn

“The relationship with my family has been difficult. They think that I am not trying hard enough. It’s draining. I wish the economy was like how it was last year.”

a living. In the Philippines they had their own accounting business but in Canada her father’s credentials don’t count so he is upgrading his education as well as working as a cleaner. A chemical engineer who recently arrived from China said he has stopped looking for work and is planning to go to school until the economy improves.

Despite the immigrants’ difficulties in the job market, other focus group participants were quick to blame immigrants and temporary foreign workers for taking jobs away from Canadians. “The company I work for brings in Mexicans for landscaping work and is laying off long term employees,” one woman said. Other participants believed immigrants get much more assistance from the government than the average Canadian: “Let’s take care of business in your own backyard before you bring people over from India or Korea,” one man said. It was apparent that in a tight job market some people are looking for scapegoats.

### AWKWARD SILENCES

Participants seemed genuinely grateful for the opportunity to talk openly with others about the impact of the economic downturn. Many said they had kept most of their problems to themselves because it was embarrassing to lose a job or suddenly find yourself without the retirement funds you were counting on. Others said they



had relatives or friends who had been laid off and it was difficult to know what to say to them.

In the workplace, the fear of layoffs is characterized by awkward silences because nobody knows who is going to be next. Nobody knows when the other shoe will drop but they all think it will eventually drop. Those who are still working seem to have been left on their own to deal with the situation. Both employees and managers in the focus groups said they would be willing to come up with creative solutions to deal with the current situation if it meant co-workers could keep their jobs. People have conversations about these new schemes for job sharing, four-day weeks, new styles of management but it only amounts to talk. Instead, people are laid off in an impersonal manner, sometimes escorted out the door by security guards.

## 2. SHREDDED SAFETY NET

In the early 1990s there was wide public support for Premier Ralph Klein’s plans to eliminate the province’s budget deficit and overall debt even if it meant cutting social programs. There was also wide public support in Alberta for lower taxes. On the federal scene, the government of Prime Minister Jean Chretien also cut spending on social programs in order to get the deficit and debt under control. A few years later the Alberta and Canadian economies began to heat up and both levels of govern-

## “The volunteer heart of Calgary is very strong; it’s just not very organized.”

ment chalked up record surpluses. It seemed the strategy had worked. But social programs such as assistance for the unemployed, the homeless, the disabled and the mentally ill were never fully restored. At the same time, many services previously delivered by government agencies were unbundled and downloaded to non-profit, and for-profit, community-based organizations that had to rely on a combination of government and private sector funding. When the recession hit, many more Calgarians than usual turned to these agencies as well as government programs for help. They were often bitterly disappointed.

Participants in the focus groups who were unemployed or had seen their income seriously reduced expressed frustration, anger and despair about the lack of resources available to them. They had believed that in difficult times some sort of safety net would protect them from the worst and enable them to bounce back when things got better. Even participants who were not facing any personal difficulties were often appalled at how hard it is for people to get employment insurance, subsidized housing or basic financial assistance to tide them over in tough times. One middle-aged man said he had worked steadily and paid EI ever since finishing university but four months after being laid off he had yet to receive any payments. A young millwright who was laid off from work in the oilfields said he blew all his savings and lost his condo while waiting for his EI payments. One man who lost a job he had held for 13 years said: “You need to be really persistent to get anything out of Alberta Works or EI, they don’t want to give it to you. You won’t get what you should get.”

### FRAGMENTED SERVICES

Participants were also frustrated by the lack of coordination and fragmentation of available programs and ser-

vices. They found they had to track through a number of government agencies or small not-for-profit organizations before they found the one that could help them. And then the help is usually piecemeal; money for work boots here; funds for necessary medications at another office; bus tickets at another office; a trip to the food bank for groceries. “You could be living under a bridge and they give you a \$200 comfort allowance,” said one woman. A participant who volunteers with various agencies said. “A lot of people have given up because they don’t know who to access.”

A senior who was a social worker in the 1960s said; “I am stymied by the whole situation – I don’t know how social assistance works these days. Is there no where to go? We need one place that everyone knows about. People used to ask for the welfare office.” One woman who has a lot of experience dealing with social service agencies because her adult daughter is mentally handicapped, said the privatization and downloading of government responsibilities has created a plethora of agencies that act as a buffer between citizens and government. “It’s become more and more difficult to hold government accountable,” she said.

### THE COST OF STAYING HEALTHY

Several focus group participants said they were having to pay for medical costs that they thought would have been covered by the public health care plan. A young woman who earns \$835 a month and was scheduled to undergo foot surgery through public health care said she had to pay \$500 up front to cover the cost of the cast and bandages. A middle-aged woman living in a homeless shelter said she had to come up with \$40 for medication needed for surgery for breast cancer.

Other people reported that the cost of diabetic supplies was quite burdensome. One elderly man said his

“How can the public benefit from something they do not pay for? Having the lowest taxes in the world does not work. Nothing is produced for free.”

wife’s supplies cost \$5000 a year. Another man talked about a friend who had an electrical contracting business that went bankrupt. His wife divorced him, he was diabetic and eventually ended up homeless. “There should be something in society to take in people like this who are completely intelligent - and just get dropped,” he said.

A woman living in a homeless shelter said the food served leaves a lot to be desired, especially since many of the residents are working. “If you have a physical job, you are not getting enough energy to do your job, the work is hard. I need lots of food to keep me going.”

### **COLLABORATION INSTEAD OF COMPETITION**

In many ways participants who work for not-for-profit social service agencies echoed the frustrations of participants looking for help. “The networking is a smashed cracker. There’s nothing in place. It’s just people who work at one place calling up a friend that works at another place...the databases are individual, disjointed,” said a front line worker in one agency. A participant who works with another not-for-profit agency said: “The volunteer heart of Calgary is very strong; it’s just not very organized.”

Both executive directors and front line workers of various agencies said they have to actively compete with



each other for funds and clients when they would rather collaborate. They also expressed frustration that at a time of increased demand for their services, they are also worried about a cutback in funding from both government and private sector donors.

Most agreed that funding is secure for 2009 but that will not be the case for 2010. “Why do we constantly have to ride this rollercoaster,” said one executive director. “We need to figure out how to stabilize funding.” A front line worker for one agency said staff was already taking on second jobs because they were afraid funding would be drastically cut in the next few months, or their partner had already been laid off. So while demand for services such as – teen pregnancy counseling, shelters for abused women, employment programs for

homeless youth – is up substantially this year, front line workers are worried they soon won’t have jobs. “We need someone to oversee the system on behalf of clients,” said one front line worker.

It must be said that participants were also grateful for the help provided by certain agencies. Participants in focus groups organized by The Centre of Hope, Momentum, and the Calgary Counselling Centre had high praise for those organizations. But in general, participants who needed help agreed that at first it is difficult to know where to turn, and that “the system” seems designed to shut people out rather than give them a leg up.

## DISCONNECTION BETWEEN TAXES AND THE SOCIAL SAFETY NET

Several participants suggested that life would be easier during a downturn if they didn't have to pay such high taxes. This suggestion often followed discussion about the lack of services and financial assistance from government. But most participants didn't make the connection between lower taxes and reduced services. They seemed to think they could have it both ways; lower taxes and higher standards of service.

However, during a discussion among executive directors of non-profit agencies, one participant asked: "How can the public benefit from something they do not pay for? Having the lowest taxes in the world does not work. Nothing is produced for free." She then went on to suggest that it is about time we had more public conversations about how we are going to fund municipal costs, health care, and social programs without changes to the tax system. "Maybe it's time Alberta had a sales tax...why is that such a forbidden topic in Alberta when every other province has one?" Another participant suggested that people who work in NGOs are reluctant to publicly express such ideas because they are afraid their agency will lose government or private sector funding. But there is no question that the idea of low taxes was embraced by focus group participants at all income levels,

"Housing prices need to be controlled – high mortgage costs make for high rents. We can eat less and live without cars, but every month those mortgages and rents have to be paid."



even by people who decry the lack of services provided by

government during the downturn. In general, people saw the tax system as burdensome, believed they received little benefit from the taxes they paid, yet called repeatedly for more or better services.

## 3. LACK OF AFFORDABLE HOUSING

During the boom access to affordable housing became a major issue for Calgarians who had lived here for a long time as well as for newcomers flooding in from all over Canada. In 2004, the number of homeless in Calgary – people living on the streets, in shelters, and other temporary accommodation – increased by 50 per cent over the previous year. At the same time, according to data compiled by the City of Calgary, 20 per cent of Calgary households paid more than 30 per cent of their earnings

to cover the rent or mortgage. Many of these people were only one pay cheque away from having to move in with friends or relatives or turn to a shelter for a place to sleep. Any unforeseen expense such as repairs to the car that they used to get to work, could have left them short for the rent.

Even though the cost of housing is not increasing as rapidly as it was during the boom, it is clear from

“Although I am working as hard as ever, because of rent increases I am really earning less money.”

discussion in the focus groups that affordable housing is still a major concern for many of the participants. And indeed the spring rental market survey by Canada Mortgage and Housing Corporation found that while it is now easier to find rental accommodation in Calgary, rents are still among the highest in Canada. The average rent for a two-bedroom suite in new and existing structures was \$1,106 this April, compared to \$1,096 last spring.

One focus group participant said she and her husband were forced to turn to a shelter for accommodation when he was laid off because the cost of food and utilities left them without enough money for rent. A single mother of two children recounted that her employer routinely expected her to work 11 hours a day and on Saturdays because he knew that without the job she would not be able to make her mortgage payments. “Housing prices need to be controlled – high mortgage costs make for high rents. We can eat less and live without cars, but every month those mortgages and rents have to be paid,” she said.

Almost everyone agreed that rents have stabilized and in some cases gone down since the onset of the recession. It’s easier to find accommodation than it was two years ago. But with unemployment or reduced hours, many are still finding it difficult to cover rent or mortgage payments. The Calgary Interfaith Food Bank reports that the demand for food hampers is the highest in ten years; it increased by 40 per cent between September 2008 and June compared to the same period the year before. Most of the recipients are working poor, many with children, who have to scrimp on groceries so they can pay the rent.

Some front line workers in social service agencies said that since the provincial government ended the Homelessness and Eviction Prevention Fund (HEP) they have encountered more people who find themselves without any alternative but to couch surf at friends or rela-

tives. One young woman who currently lives with her aunt, a bus driver for Calgary Transit, said they both may have to move back to her grandfather’s basement because her aunt may soon get laid off. A young, recently divorced, single mother said she has been moving between various relatives for 6 months (and using the food bank) because she can’t afford her own place. One man who recently moved here from Toronto said he is working but the job doesn’t pay enough to cover rent on an apartment so he had to turn to the Salvation Army for accommodation.

### **MORE INNOVATIVE HOUSING**

Even participants who were not personally experiencing difficulty covering the cost of housing were adamant about the need for more affordable housing in Calgary. A senior said she was impressed by a program in the Netherlands that turned old buildings into affordable accommodation. “Why can’t we do that here?” she said. “The housing problem is so evident. There are lots of people on the street who shouldn’t be on the street. We need subsidized housing.” Another woman said we should consider rent controls: “Although I am working as hard as ever, because of rent increases I am really earning less money.” Others criticized the drive to build expensive condos while so many people were having trouble finding and paying for ordinary housing.

Several participants wondered why people with low incomes hadn’t been consulted about housing needs and asked for their ideas. “If you have people building affordable housing, it’ll stimulate the economy,” said one man who had to give up his regular rental accommodation in order to go back to school. “Have the solution come from grassroots instead of from up above. Make people who need affordable housing get involved in providing it. In the end so much money would be saved on police and

“People value employment now. I don’t think you should live to work, but employment should be valued. It is an investment of your time”

drug problems and homelessness if people were working, building homes for themselves.”

Others wondered if funds from the private sector for Calgary’s ten-year plan to end homelessness would now dry up because of the economic slump.

#### **4. THE UPSIDE OF THE ECONOMIC DOWNTURN**

While the economic slump definitely left many people with less income and less money to spend, as well as worries about the future, some focus group participants said it has also ushered in welcome changes. Social service agencies are finding it much easier to attract and retain staff. During the boom, employees easily found higher paying employment than non-profits could provide and many agencies found themselves struggling to keep up with client needs.

Agencies now receive dozens of applications for available jobs and for the time being rapid staff turnover has abated. Agencies can select the best candidates rather than hire anyone available and thereby improve the standard of service they provide. In general, participants agreed that attitudes towards work have shifted. “People value employment now. I don’t think you should live to work, but employment should be valued. It is an investment of your time,” said one participant.

One agency director said the downturn provides an opportunity for the community to appreciate the work agencies do, especially in the field of mental health since so many people are experiencing stress and anxiety brought on by the economic situation. Other participants involved with social service agencies said the downturn will likely bring about a drop in the cost of living, especially housing, and this will be a great boon to clients on AISH, social assistance, or in minimum wage jobs. Several

participants noted that it was easier to find housing this year than last year.

#### **ENTREPRENEURSHIP**

Some participants recounted how losing a job spurred them to start their own businesses. One man said he had started up a mobile car repair business because he believed people would be looking for inexpensive ways to keep their old vehicles going. He said he had more business than he could handle and wished he had gone that route several years ago. A woman who lost her job said her husband kept the family afloat by leaving his former employer of 17 years and starting his own contracting business. “He does carpeting in the high rises, builds basements, lays hardwood. He’s very versatile and this has really helped us during the recession,” she said. A woman who lost her job as a telemarketer said she is going to take advantage of a program offered to Aboriginals and train as a plumber. Other participants said losing a job or working less hours than usual, has meant they spend more time with family which has enriched their lives in a way that money did not.

#### **MORE GRATITUDE**

Other participants remarked that service had improved in many retail stores, restaurants and professional offices because employees were making more of an effort to hold on to the jobs. Other participants talked about learning to live within their means rather than expecting to have all the latest consumer gadgets, clothes and cars. Some people talked about having developed a sense of gratitude for what they have. One participant said: “In the Philippines the only food bank is the garbage can. At least here you can get good food if you need it.” Another

## “We need something that decreases the cost of living and enables people in communities to help one another.”

woman said: “This may sound silly...but I’ve said grace, twice at dinner. I’ve never said grace in my life. I think ‘My God, I have this meal. And a lot of other people don’t.’ If we all did that then maybe some good would come out of all this.”

Participants with money to invest said that the recession has produced some attractive prospects. “We’ve been looking for real estate in Phoenix,” said a lawyer. “There are some really good opportunities out there.”

One participant said he had joined a political party and gone to a meeting for the first time in his life. “I think I will get a bit more involved in politics. I was surprised at how quickly I felt comfortable at that meeting,” he said. But on the whole, most focus group participants seemed politically disengaged. U.S president Barack Obama was mentioned more times than any Canadian political leader as politically inspiring. Politicians as a group were described as either corrupt or self-serving. In one group, someone asked how many had voted in the last election – only 3 people out of 14 raised their hands.

### 5. THE SHIFT IN SOCIETAL VALUES

Many focus group participants said that the end of the economic boom has allowed them to pause and reflect on what is really important to them. Almost everyone agreed that Calgary had become too materialistic; that the pace of life was too fast and too focused on acquiring more and

more consumer goods. “Calgary became really over-blown...so many big expensive condos, it was ridiculous,” said one senior. “And the houses, why are they so big...it seems like a lot of waste.” Other people said they feel guilty shopping for lavish consumer goods and paying for them with credit cards. Many participants indicated that they wanted to simplify their lives and spend more time with family and friends.



### COMMUNITY CONNECTIONS, REACHING OUT TO OTHERS

Participants in all the focus groups expressed a desire for more community, more connection with their neighbours, more kindness, more “caring and sharing” as one middle-aged man said. Many felt that Calgarians had become estranged from one another and that old-fashioned acts of generosity were few and far between. “I lived back east and people would make you blankets or make a casserole. Here that doesn’t happen. If it does, you think they’re crazy,” said one woman.

Other people spoke about the need for organizations within their communities that could address local problems and provide support for those in need. “We need something that decreases the cost of living and enables people in communities to help one another...government should step back,” said a woman who works at a community centre in Calgary. Others thought that rampant individualism and competitive relationships were destroying the social fabric. “One

## “There’s no middle class left, just the very rich and very poor.”

determinant of mental health is sense of community; we are so individualistic; the lack of family, of extended family, of leadership, all these things harm a person’s health,” said one woman. Another woman summed it up this way: “We need the ‘70s back – more relationship and community.”

### TWO VIEWS OF CALGARY

As focus group discussions progressed it became clear that people in the low and low-middle income brackets have a different view of Calgary than people in higher income brackets. Participants with stable incomes tended to see Calgary as a place where volunteerism thrives, the corporate sector and individual citizens are generous, and community endeavour ameliorates social problems. People who are unemployed or struggling on low incomes do not view Calgary in the same way. Instead, they see a city where only the strong can make it and the rest are left to fend for themselves. “The attitude in Alberta is ‘survival of the fittest’. Punch, kick, kill whatever the hell you need to do to be on top,” said one man who had recently returned to Calgary after living in England for 30 years. Another man said: “I don’t think there’s any values left in society. You go to corporations, people want to screw you over, they fire someone who was earning 25 bucks an hour, and then offer you the job at 15 bucks.” Another participant said the media focused too much on business news and the ups and downs of corporations and stocks and ignored the problems of ordinary people caught in the vise of the downturn.

Other people said Calgary is a harsh place to live if you are out of work or can’t work. “I’ve been everywhere else in Canada, I don’t get treated like I do here. You get treated like garbage here,” one participant said. “Capitalism is a bitch when you’re not working,” said another.

Many participants agreed that government was no help at all when they were in trouble but made their lives more difficult. Others said it was quite clear that if you were out of work, or working poor, you were on your own and there was no point in expecting much help from government or most social service agencies. One woman said: “I don’t mind people getting wealthy, but to have this extreme of poverty...it’s inviting people to look for criminal solutions.” And indeed, a few participants indicated that they knew people who were looking to illegal activities as a way to survive.

### EROSION OF THE MIDDLE CLASS

Some participants said the middle class is being eroded and that we are heading towards a society of “fat cats and little guys.” A man who was laid off in Fort McMurray and now lives in accommodation provided by the Salvation Army said: “There’s no middle class left, just the very rich and very poor, I grew up middle class in Calgary. We ate roast beef once a week, had a car and a house. ... we never needed a big social safety net in Calgary but now we are overtaxed here with homeless people...the net is almost non-existent.”

Another participant said the disappearance of the family-owned corner store was a sign of things to come. “It became Jiffy Mart, Walmart...whatever...it’s just gotten bigger and bigger. But what are those corporations doing for us? Who is regulating them? It’s the middle men that add the culture and the flavor and spice of life. It’s the middle man that keeps the balance and the equilibrium... we need to help the middle man.”

These sorts of ideas reflected a feeling among participants that it is easy to slip from a middle or low-middle income level into poverty. For some, this had already happened.

# OVERALL OUTLOOK

Discussion in the focus groups revealed that the economic downturn had impacted Calgarians much more deeply than is portrayed by the news media, or corporate and government leaders. Very few people said it didn't impact them at all. The majority of respondents who were asked to rate the impact of the recession on a scale of 1-5 (5 being the most impact) cited 3 or above. A high proportion of participants in the focus groups said they had experienced job loss, knew of someone who had lost employment, or were worried about being laid off in the future. All participants over 55 years of age had lost money on their pensions or RRSPs. Participants in the middle and low income brackets were the most affected by losses of income or employment and in some cases had already lost their homes.

## UNCONTROLLABLE FORCES

Participants felt that the reversal in fortunes was not due to any failing on their part but the result of uncontrollable, global forces. Some expressed deep bitterness and suggested that those responsible for the drop in pension and investment funds should go to jail. Many also wondered why governments and the corporate sector weren't better prepared to help people during the inevitable downturns of such a cyclical economy.

## UNCERTAINTY

The focus group discussions also revealed a good deal of uncertainty about the future. A slim majority of respondents who were asked to look ahead and rate their

situation a year from now on a scale of 1-5 (5 being the best outcome) cited 3 or below. Many participants believe there won't be a quick fix and that the economy will take several years to turn around. Others said they simply couldn't look that far ahead because they are mired in current, day-to-day crises.



Some think we are heading into a "new normal" of reduced expectations and slower growth, and that's a good thing. But other participants said if the economy recovers in the next year people would quickly return to their old habits and take advantage of easy credit to buy lavish consumer goods. Participants often swung back and forth between these two scenarios and remarked that no one really knows what is going to happen.

A significant minority felt they would be in a better position a year from now: not because the economy would turn around or the price of oil and gas would surge but because of their own personal initiative.

## LESSONS LEARNED, OR NOT?

Participants who had lived through the oil boom/bust of the 1980s said they had seen it all before and learned how to survive because of it. A sense of personal and collective resilience came through in all the focus groups

and seemed a matter of pride. But some wondered if governments and the corporate sector had forgotten the lessons of previous downturns and for that reason seemed unprepared to deal with this one.

### **NEED FOR MORE PUBLIC PARTICIPATION**

It was also clear from the focus groups' discussions that participants welcomed the opportunity to talk about the issues. Many of them asked how they could get a copy of the final report. Some wondered why they hadn't been asked about the impact of the downturn on their lives before now. Others suggested that it was important to them that their voices be heard, and that we need to develop mechanisms for regular public participation, particularly for people who don't often see themselves or their concerns reflected in the news media, political discourse, or business agendas.

## Questions Arising from This Report...

- Could government policy be improved so as to better prepare us for economic downturns?
- How could we ensure that individuals and their communities are as resilient as possible given Alberta's boom/bust economy?
- To what extent does the pace of growth need to be controlled in order to minimize the impact of such a cyclical economy?
- Do we need to educate the incoming labour force about the economic realities of a boom/ bust economy?
- Should more be done to reduce the costs of retooling and retraining so people of all ages have better access to the labour market?
- Given that many people saw their retirement savings significantly reduced and their company pensions in doubt, does government now have a responsibility to ensure adequate pensions for seniors?
- Since the early 1990s governments have dismantled much of the social safety net. Funds for subsidized housing, social assistance payments, and EI have all been reduced. Is the current situation acceptable? If not, how can we better protect people who lose their employment or have their hours of work reduced?
- In the early 1990s governments began to download social programs to small, community-based organizations. As a result, when people need help they often don't know what is available or where to go to get it. Is better coordination of social services needed and who is best placed to provide it?
- How do we ensure that corporations conduct business in an ethical and transparent manner?
- Can more be done to ensure that unscrupulous employers don't take advantage of employees during economic downturns?
- Is it time for a vigorous public discussion of provincial and federal taxation and public finance policies? Do we need to debate in an informed and thoughtful way whether a provincial sales tax is needed or whether income tax needs adjustment in order to keep government revenues on a more even keel?
- How do we ensure that the lived experience of citizens becomes part of governments' policy making processes?

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