

## CHAPTER 2

### Wealth and Poverty: Canadian and Global Economic Inequities

#### MULTIPLE CHOICE QUESTIONS

1. Which of the following is analogous to the “American Dream” as described in Chapter 2?
  - a. standard of living
  - b. meritocracy
  - c. social stratification
  - d. generational mobility
  - e. downward structural social mobility

Answer: b    Page: 24    Difficulty: M

2. Which of the following conditions occur when people do not have the means to secure the most basic necessities of life (food, clothing, and shelter)?
  - a. Basic poverty
  - b. Absolute poverty
  - c. Relative poverty
  - d. Minimal poverty
  - e. Maximal poverty

Answer: b    Page: 24    Difficulty: M

3. Which of the following conditions occur when people cannot maintain a standard of living in comparison to that of other members of their society or group?
  - a. Basic poverty
  - b. Absolute poverty
  - c. Relative poverty
  - d. Minimal poverty
  - e. Maximal poverty

Answer: c    Page: 25    Difficulty: M

4. Which of the following refers to countries with highly industrialized economies; technologically advanced industrial, administrative, and service occupations; and relatively high levels of national and per capita (per person) income?
  - a. Low income nations
  - b. Middle income nations
  - c. High income nations
  - d. Maximal income nations
  - e. Minimal income nations

Answer: c    Page: 24    Difficulty: M

5. Which of the following refers to countries changing from agrarian to industrial economies?
- Low income nations
  - Middle income nations
  - High income nations
  - Maximal income nations
  - Minimal income nations

Answer: b    Page: 24    Difficulty: M

6. Which of the following refers to primarily agrarian countries that have little industrialization and low levels of national and personal income?
- Low income nations
  - Middle income nations
  - High income nations
  - Maximal income nations
  - Minimal income nations

Answer: a    Page: 24    Difficulty: M

7. Which of the following refers to the hierarchical arrangement of large social groups based on their control of basic resources?
- social inequality.
  - social stratification.
  - social structure.
  - social diversity.
  - social interaction.

Answer: b    Page: 26    Difficulty: E

8. Which of the following refers to the extent to which individuals have access to important societal resources such as food, clothing, shelter, education, and health care?
- power.
  - prestige.
  - wealth.
  - income.
  - life chances.

Answer: e    Page: 26    Difficulty: E

9. Which of the following refers to the value of all economic assets, including personal property, and income-producing property, minus one's liabilities or debts?
- power.
  - prestige.
  - wealth.
  - income.

e. life chances.

Answer: c    Page: 26    Difficulty: E

10. Which of the following refers to the economic gain derived from wages, salaries, and income transfers?
- a. power.
  - b. prestige.
  - c. wealth.
  - d. income.
  - e. life chances.

Answer: d    Page: 26    Difficulty: E

11. Which of the following refers to ability of people to achieve their goals despite opposition from others?
- a. power.
  - b. prestige.
  - c. wealth.
  - d. income.
  - e. life chances.

Answer: a    Page: 26    Difficulty: E

12. Which of the following refers to respect, esteem, or regard accorded to an individual or group by others?
- a. power.
  - b. prestige.
  - c. wealth.
  - d. income.
  - e. life chances.

Answer: b    Page: 26    Difficulty: E

13. Which of the following refers to people who are chronically poor and viewed as socially marginal?
- a. Lower middle class
  - b. Lower class
  - c. Working poor
  - d. Underclass
  - e. Working class

Answer: c    Page: 27-28    Difficulty: E

14. Which of the following refers to people who work full-time in (often) unskilled positions?

- a. Lower middle class
- b. Lower class
- c. Working poor
- d. Underclass
- e. Working class

Answer: d      Page: 26-27      Difficulty: E

15. Which of the following social groups is more likely to be poor?

- a. Adults
- b. Elderly
- c. Children
- d. Youth
- e. Men

Answer: c      Page: 29      Difficulty: C

16. Which of the following family structures is more likely to be poor?

- a. Female and male dual parent
- b. Male lone-parent
- c. attached single males
- d. attached single females
- e. female lone-parent

Answer: e      Page: 29      Difficulty: C

17. Which of the following refers to a calculation of poverty based on half the median family income and is adjusted for family size?

- a. Gino index (GI)
- b. Poverty index (PI)
- c. Market Basic Measure (MBM)
- d. Low Income Cut off (LICO)
- e. Low Income Measure (LIM)

Answer: e      Page: 29      Difficulty: C

18. Which of the following refers to a calculation of poverty based on the income level below which a family would devote 50+ percent of their income to food, clothing, & shelter and is adjusted for family and community size?

- a. Gino index (GI)
- b. Poverty index (PI)
- c. Market Basic Measure (MBM)
- d. Low Income Cut off (LICO)
- e. Low Income Measure (LIM)

Answer: d      Page: 29      Difficulty: C

19. Which of the following refers to a calculation of poverty based on the income a family would need to be able to purchase a basket of goods that includes food, clothing, shelter, transportation, and is adjusted for family and community size?
- Gino index (GI)
  - Poverty index (PI)
  - Market Basic Measure (MBM)
  - Low Income Cut off (LICO)
  - Low Income Measure (LIM)

Answer: c      Page: 29      Difficulty: C

20. Which of the following explains why health, nutrition, and housing are associated with poverty?
- the Canadian government provides medical care, food, and housing for most people who cannot afford to pay.
  - adults over age 65 are the key people affected by poverty, poor health, malnutrition, and substandard housing.
  - lack of money is the primary cause of inadequate medical care, poor nutrition, and homelessness in Canada.
  - low-income and poverty-level parents frequently spend money on entertainment, alcoholic beverages, and cigarettes rather than paying rent or putting food on the table for their children.
  - Lack of hard work ethic leads poverty levels to be unable to afford to provide quality health, nutrition and housing to their children.

Answer: c      Page: 32      Difficulty: C

21. Which of the following is the number of people served by food banks daily, as reported by Food Banks Canada (2013)?
- 600 000 people
  - 100 000 people
  - 800 000 people
  - 300 000 people
  - 1 million people

Answer: c      Page: 32      Difficulty: M

22. Which of the following refers to a nation in which the government intervenes in the economy through various social policies, programs, standards, and regulations?
- socialist state
  - communist state
  - totalitarian state
  - welfare state

e. libertarian state

Answer: d Page: 32 Difficulty: M

23. Which of the following theories examine poverty from the perspective of meanings, definitions, and labels?

- a. symbolic interactionism
- b. conflict
- c. structural functionalism
- d. feminist
- e. postmodern

Answer: a Page: 37 Difficulty: M

24. Which of the following theories examine poverty as the result of changes in the economy that have dramatically altered employment opportunities for people?

- a. symbolic interactionism
- b. conflict
- c. structural functionalism
- d. feminist
- e. postmodern

Answer: c Page: 38 Difficulty: M

25. Which of the following theories examine poverty as the result of differential valuing of occupations and roles by gender within Canadian society?

- a. symbolic interactionism
- b. conflict
- c. structural functionalism
- d. feminist
- e. postmodern

Answer: d Page: 38 Difficulty: M

26. Which of the following theories examine poverty as a result of the fact that workers are increasingly impoverished by the wage squeeze and high rates of unemployment and underemployment?

- a. symbolic interactionism
- b. conflict
- c. structural functionalism
- d. feminist
- e. postmodern

Answer: b Page: 38 Difficulty: M

27. Which of the following ideas is the basis of “workfare”?

- a. there is both a deserving and an undeserving poor.
- b. all people should have the right to work if they want to.
- c. all people deserve fair working conditions.
- d. we need to break the cycle of income inequality.
- e. values, beliefs, attitudes, and competencies that are learned at home and required for success and social advancement

Answer: a      Page: 34      Difficulty: M

28. Which of the following ideas is the basis of cultural capital?

- a. there is both a deserving and an undeserving poor.
- b. all people should have the right to work if they want to.
- c. all people deserve fair working conditions.
- d. we need to break the cycle of income inequality.
- e. values, beliefs, attitudes, and competencies that are learned at home and required for success and social advancement

Answer: e      Page: 37      Difficulty: M

29. What has been used to buffer the worst contradictions created by capitalism's normal ebb and flow?

- a. workfare
- b. education
- c. the welfare state
- d. newspeak
- e. the socialist state

Answer: c      Page: 34      Difficulty: M

30. Which of the following refers to individual explanations of poverty?

- a. blaming the victim
- b. blaming the system
- c. devaluing human capital
- d. psycho babble
- e. double speak

Answer: a      Page: 37      Difficulty: M

## **TRUE-FALSE QUESTIONS**

1. The American Dream is based on the assumption of equality of opportunity.

Answer: True      Page: 24

2. In high-income nations such as Canada, most people have similar life chances.

Answer: False Page: 24

3. Underrepresented among low-income and poverty-level individuals are those who are unable to work because of age or disability.

Answer: False Page: 28

4. Recent immigrants have a greater likelihood of having a low income than the Canadian-born population.

Answer: True Page: 29

5. Karl Marx believed that inequality and poverty were not inevitable by-products of the exploitation of workers by capitalists.

Answer: False Page: 38

6. According to Max Weber, prestige is more significant in determining class position than either wealth or power.

Answer: False Page: -26

7. The gap between the rich and the poor in Canada continues to widen.

Answer: True Page: 27

8. The most critical issues confronting impoverished people today are food security and affordable housing.

Answer: True Page: 32-33

9. 43 percent of people households helped by food banks are children.

Answer: False Page: 32

10. Funding shelters and food banks in Canada represents the idea that poverty and its attendant problems are fleeting aberrations.

Answer: True Page: 34

11. Revisions to the employee- and employer-funded EI program have resulted in drastically expanded eligibility criteria and longer benefit periods, even though the program has always run at a surplus.

Answer: False Page: 34



12. Universal, publicly funded child care is a critical component in addressing poverty.

Answer: True Page: 40

13. More than 10 percent of assistance recipients stay on welfare for more than two years.

Answer: False Page: 36

14. According to the CCPA (2008), there is resounding majority support among Canadians to raise the minimum wage, improve income support programs to help poor families raising children and create low-cost child-care spaces.

Answer: True Page: 51

15. An individual with full-time, full-year employment earning minimum wage can expect to live 10 percent above the poverty line.

Answer: True Page 28

## **ESSAY QUESTIONS**

1. Describe the evolution of social welfare in Canada. What, if any, relationship exists between welfare and poverty? What have been the effects of recent workfare programs?

Difficulty: M

2. Poverty can be seen and dealt with as either a structural problem or an individual problem. What are the consequences of taking each of these approaches? What approach has Canada taken so far and why have we taken it, especially in light of the fact that it has not been effective in reducing poverty to date?

Difficulty: C

3. Using the four theoretical perspectives discussed in chapter 2, describe what you might do to reduce poverty in Canada if you had the economic and political resources to do so.

Difficulty: M

4. Deconstruct the “Newsspeak” arguments presented in the chapter, in regards to workfare and discuss the consequences of workfare programs for people living in poverty.

Difficulty: M

5. Provide a snapshot of poverty in Canada. Discuss some of the consequences of living in poverty, specifically the impacts poverty exacts on poor Canadians’ health, nutrition and

ability to access housing.

Difficulty: M