LET’S DO THIS
LET’S END CHILD POVERTY FOR GOOD
2015 Report Card on Child and Family Poverty in Canada

Campaign 2000 is hosted by Family Service Toronto, a member agency of United Way Toronto & York Region
LET’S DO THIS – LET’S END CHILD POVERTY FOR GOOD

Campaign 2000 Report Card on
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More than two decades have passed since the House of Commons’ unanimous resolution “to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000” and six years after the entire House of Commons voted to “develop an immediate plan to end poverty for all in Canada.” Neither the promised poverty elimination nor plans have materialized.

House of Commons’ unanimous resolutions, November 24, 1989 & 2009

INTRODUCTION

A climate of renewed hope and optimism provides Canada with an important opportunity to close the book on its greatest failure. With decades of research and evidence to guide us, we must now muster the resolve to end child and family poverty for good.

Campaign 2000 has consistently stated that child poverty is not inevitable, but that it is a result of choices. Federal politicians pledged to end child poverty in 1989, 2009 and 2015 but it continues to deprive over 1.34 million children of their only childhood. Choosing to allow child poverty to continue forces children to endure hunger, deprivation and exclusion and compromises their health and life chances. Choosing to reduce Canada’s fiscal capacity rather than to invest in social programs exacerbates inequality. Choosing to cast away almost 1 in 5 children to poverty deprives Canada of the richness of their full contributions.

Campaign 2000 recognizes the significant poverty reduction potential of the commitments from the new federal government. The government’s planned leadership role in creating a national poverty reduction strategy, long a top priority for Campaign 2000, presents a once in a generation opportunity: children left waiting by the 1989 promise to end child poverty by the year 2000 never saw a plan to eliminate child poverty materialize. Therefore, we implore the government to demonstrate its political will by including poverty reduction targets and timelines in its strategy.

This report draws upon research, evidence and the voices of people in poverty in its recommendations in order to maximize the child and family poverty reduction potential of the government’s commitments to date. Eradicating child poverty requires persistent targeted investments, sound research and a commitment to equity to ensure children have equal opportunities to realize equal futures.

After decades of waiting, we have the opportunity to eradicate child and family poverty in Canada – so let’s do this right.
RECOMMENDATIONS

Campaign 2000: End Child Poverty in Canada, through its diverse network of partners, recommends:

• The Government of Canada ensure that its federal action plan to eradicate poverty includes both targets and timelines and is developed in consultation with provincial and territorial governments, Aboriginal governments and organizations, non-governmental organizations and people living in poverty. The plan must be secured in legislation and identify key roles for all levels of government and recognize the particularities of how Québec pursues social policy in the Canadian context.

• Adopt of the internationally comparable Low Income Measure-After Tax as Canada’s official income poverty line to track progress or lack thereof against poverty.

• The new Canada Child Benefit design reduces the child poverty rate by 50% in 5 years. In addition, the federal government should enter into agreements with the provinces and territories that will ensure that no claw backs are permitted on any portion of the CCB from social assistance benefits.

• A plan to prevent, reduce and eventually eradicate child and family poverty in Indigenous families developed in conjunction with Indigenous organizations. In order to ensure jurisdictional disputes do not compromise the expedience of providing for the health and well-being of Indigenous’ children, implement Jordan’s Principle immediately.

• The federal government must increase funding for the Canada Social Transfer, remove arbitrary growth restrictions, provide sufficient, stable and predictable funding that recognizes regional economic variations, and ensure that both federal and provincial governments are accountable for meeting their human rights obligations to provide adequate income support for all low income Canadians who are without other adequate means of support.

• Enhance Employment Insurance to expand access, duration and levels of benefits. Reduce the number of qualifying hours to 360 for all workers and enhance benefit levels over a longer benefit period of 50 weeks.

• Enact proactive strategies, including employment equity in the public and private sectors, and a sensible training strategy accessible to those not on EI to level the playing field for racialized communities and other historically disadvantaged groups.

• A national ECEC program, led by the federal government and developed collaboratively with provinces/territories and indigenous communities, which includes a well-developed policy framework based on the principles of universality, high quality and comprehensiveness and is guided by targets and timelines.

• In the short term, an emergency fund of $500 million in federal transfer payments earmarked for regulated child care to provinces/territories and indigenous communities while further details about long-term funding are worked out.

• Enhance extended maternity/paternal leave benefits. These benefits should include all new parents (adoptive, student, trainee, self-employed parents, part-time and casual workers) be more flexible and should include a secondary caregiver benefit.

• A comprehensive national housing strategy reflecting the needs of local communities and First Nations in partnership with provinces, territories, municipalities, First Nations, the non-profit sector and the private sector. The strategy requires affordable housing targets for specific populations including low income families and others with high levels of core housing need. It should be paired with a long-term funding commitment to create and retain existing affordable housing and to support capital repairs.

• Address growing income inequality by restoring fairness to the personal income taxation system and re-introducing the principle of taxation based on ability to pay.
MEASUREMENT

Campaign 2000 welcomes the federal government’s reinstatement of the Mandatory Long Form Census. It is essential for tracking poverty rates among select social groups, including racialized and Indigenous people, immigrants and people with disabilities.

This report uses Statistics Canada’s T1 Family File (T1FF) to report on low income according to the Low Income Measure-After Tax (LIM-AT). The T1FF approximates the total Canadian population, representing 95.4% of Statistics Canada’s population estimates. It is based on Taxfiler data collected from income tax returns and Canada Child Tax Benefit (CCTB) records. The introduction of the UCCB in 2006 improved the process of identifying children under 6. Statistics Canada constructs households and family income levels by matching individual tax files, though family income calculations do not include income from other relatives living in the household.

Statistics Canada produces several measures of low income, including the Low Income Cut Off (LICO) Before Tax and After Tax, the Market Basket Measure (MBM) and the LIM Before and After Tax. Because Canada does not have an official income poverty threshold, discussions about poverty can turn into ideological debates about the prevalence of poverty and the effectiveness of policy measures.

Campaign 2000 recommends the federal government initiate the selection of an official income poverty line. An official poverty line should be one among a suite of indicators used to measure progress, or lack thereof, in poverty reduction. Additional measures should track social and material deprivation.

We recommend the Low Income Measure After Tax as Canada’s official poverty line. The LIM is a relative measure of poverty. The LIM is a fixed percentage (50%) of median adjusted household income that takes household size into account. It is also internationally comparable.

CHILD POVERTY IN CANADA

Child and family poverty still plagues Canada with 1,334,930 children (19%) living in poverty according to tax filer data (LIM AT). While parliamentarians committed to eliminate poverty among children in 1989 by the year 2000 and in 2009 for all persons, the necessary action plans never materialized. Shamefully, child poverty affects families who are Indigenous, racialized, recent immigrants, affected by disability or led by a female lone parent in disproportionate numbers.

Unacceptably, child poverty is worse today than it was in 1989. The child poverty rate has decreased only slightly since 2000. This decrease demonstrates the impact of progressive social policies like the Canada Child Tax Benefit and National Child Benefit Supplement; but also highlights the vulnerability of families’ well-being and stability to economic ups and downs.
Child and family poverty should not be tolerated in Canada, a country wealthy enough to buffer the most vulnerable from economic headwinds. Instead, the child poverty rate has dropped only slightly since 2000. The lack of a substantial decrease in child poverty shows structural change is needed to safeguard children and families from the indignity and anxiety caused by poverty.

**GOVERNMENT COMMITMENTS**

The Minister will "lead the development of a Canadian Poverty Reduction Strategy that would set targets to reduce poverty and measure and publicly report on[...] progress, in collaboration with the Minister of Employment, Workforce Development and Labour. [The] strategy will align with and support existing provincial and municipal poverty reduction strategies."10

To effectively meet this important commitment, timelines to guide action and investment are critical and will help ensure government accountability. Committing to a national anti-poverty strategy with targets and timelines is an opportunity to change Canada’s legacy of failure to eliminate child poverty to one of enabling the success of generations of Canadians.

**TIME TO FILL THE POVERTY GAP**

According to an analysis of median incomes among low income families, half of those with 1 or 2 children are $9,049 or more below LIM-AT.11 Low income couples with a single child experience the widest poverty gap, typically requiring an additional $10,661 to bring them to the modest low income threshold of $29,531.12 It is important to note that in almost all provinces and territories low rates of social assistance, the income security program of last resort, contributes significantly to the depth of poverty. Ensuring equitable opportunities and healthy development for children requires raising families to the LIM and stabilizing incomes so they are at least 10% above the poverty line.

**IMPACT OF GOVERNMENT TRANSFERS**

Government investment is critical in reducing and preventing poverty among children and families. Programs such as the HST/GST credit, Canada Child Tax Benefit (CCTB), the Working Income Tax Benefit (WITB) and Employment Insurance help prevent families from falling into poverty. In 2013, over 705,000 more children would have been in poverty if not for government transfers.
The OECD has noted that Canada’s tax and benefit system does not reduce inequality and poverty as much as other OECD countries. Tax benefits and transfers reduce market income inequality by 22% in Canada, compared to 27% on average in the OECD. Canada’s social safety net cannot afford to lag behind – the new federal government must increase investments in government transfers as it assumes federal leadership against poverty.
Generations of Indigenous children in Canada have endured grinding poverty due to legally sanctioned racism and attempted cultural genocide. According to First Nations Child and Family Caring Society (FNCFCS) “the multiplier effect of discriminatory federal funding regimes for providing services like child welfare, education, health care and basics like water and housing have created deep levels of multi-generational harm for First Nations children.”

The June 2015 report of the Truth and Reconciliation Commission of Canada (TRC) contained 94 calls to action to redress the legacy of Indian Residential Schools (IRS) and advance reconciliation in Canada. TRC provides a roadmap to strengthen families, eradicate child poverty, reduce systemic discrimination and recognize the rights and autonomy of Aboriginal peoples and government.

TRC’s first call to action is to redress current inequities in funding and resources for child welfare services on reserve. First Nations child welfare agencies receive 22% less per capita funding than provincial agencies under a funding formula that has not been reviewed since 1988. FNCFCS has urged the federal government to proceed immediately rather than awaiting the decision of the Canadian Human Rights Tribunal on the 2007 complaint it filed with the Assembly of First Nations. The over-representation of First Nations children in care was criticized by the UN Commission on the Right of the Child. The IRS legacy, child welfare involvement and poverty are linked to disproportionate incarceration rates among Indigenous youth, who represent 41% of incarcerated youth.

Significantly, the federal government has committed to enact the TRC’s recommendations. It has indicated that the Government will start with implementing the UN Declaration on the Rights of Indigenous People. It will also make significant new investment in First Nations education, has pledged respect for First Nations control over First Nations education; and launch consultations with provinces and territories and Indigenous Peoples on a National Early Learning and Childcare Framework as a first step towards delivering affordable, high-quality, flexible and fully inclusive child care.

Further areas in need of attention include the provision of accessible, culturally relevant supports for Indigenous people living in urban areas and restoring funding for social assistance on reserve. Recent data show 60% of Aboriginal people live in urban areas and that 27% are 15 or younger. A recent study found that Aboriginal people in major urban centres are more than eight times as likely to experience homelessness (6.97%) than the general population (0.78%).

The federal government provides funding for social assistance on reserve. Its unilateral decision to amend rates so they are the same as provincial rates is causing concern from coast to coast. Resulting rate reductions and changing eligibility have the danger of deepening the poverty crisis among status First Nations children, 50% of whom already live in poverty.

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**CHILD POVERTY ERADICATION KEY TO RECONCILIATION**

“Children only have one childhood and First Nations children have waited long enough.”

- Dr. Cindy Blackstock

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**Government Commitments**

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**Additional Priorities**

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**40% of Indigenous children live in poverty**

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**1 in 2 Status First Nations children live in poverty**

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**Read the Truth and Reconciliation Commission’s 94 Calls to Actions : [http://www.trc.ca/](http://www.trc.ca/).**
MARGINALIZED CHILDREN

The inequities caused by persistent racial and gender discrimination, able-ism and ongoing colonialism translate into greater levels of poverty among children and families who are Indigenous, racialized, recent immigrants, impacted by disabilities or living in female-led lone-parent families. The reinstatement of the long form census in 2016 will enable an understanding of poverty among marginalized children and families that has been lacking since the 2006 census.

In the last ten years, Canada’s social safety net has been eroded, precarious and low wage work has increased and tuition fees for post-secondary education have risen. At the same time racial profiling and discrimination continues to marginalize many families.

- Median income among female lone parent families is $37,720 – only two-thirds of median income among male lone parent families.27
- 16% of individuals accessing a food bank self-identify as First Nations, Métis, or Inuit.28
- Immigration restrictions and back logs coupled with the sponsorship requirement to have incomes that meet the Low Income Cut-Off (LICO),29 or in the case of grandparent sponsorship, the LICO plus 30%, contributes to family separation that further destabilizes low income immigrants.30
- Children with disabilities are twice as likely to live in households relying on social assistance and families of children with disabilities are more likely to live in poverty.31

Targeted, systemic measures to reduce poverty among marginalized children and families are overdue and will promote dignity, health and success. New investments by the Federal Government must be accompanied by employment equity measures to ensure under-represented groups have access to the jobs created. There is also a strong case for making the Disability Tax Credit refundable to enable an additional 755,000 people to benefit from it.32 Enhanced access to post-secondary education and training is required to level the playing field for low income individuals. Reducing housing instability also requires priority access to affordable housing for marginalized low income people facing discrimination in the rental market. The Court Challenges Program must be reinstated to enable equity seeking groups to realize their rights to access justice.

Finally, the federal government must act quickly to restore the national standard of no minimum residency requirement for eligibility for social assistance benefits. The previous government made this change in the omnibus budget implementation Bill C-43; it will have an extremely negative impact on refugee claimants, who often have no other source of income support as they transition to Canada.
IMPROVING INCOMES FOR FAMILIES WITH CHILDREN

The federal government’s commitment to improve family incomes through the increased, progressive and streamlined Canada Child Benefit (CCB) is a monumental policy shift for families in low and modest income. Campaign 2000 previously recommended a streamlined approach to delivering targeted child tax benefits, proposing a floor of $5,600/child/year in 2014. Our proposed design eliminated the Universal Child Care Benefit (UCCB) as a separate payment and absorbed the money directed towards it and the Child Tax Credit and the Child Fitness Tax Credit the into a new, larger National Child Benefit Supplement (NCBS), targeting children in the lowest income families. We are heartened that the new federal government’s foundational commitment to reducing child poverty repurposes funds spent on the UCCB in an income tested, indexed $6,400/child/year benefit for children up to age 6 and a benefit of $5,400/child/year for children ages 6-17 that is projected to lift 315,000 children out of poverty, though it is unstated by which poverty line this estimate is made. Campaign 2000 recommends the Low Income Measure-After Tax as Canada’s official poverty line.

CHART 6: Child Poverty, Children Under 6

1989: 22.8% of 528,630 children
2000: 25% of 514,290 children
2013: 20.3% of 474,970 children


GOVERNMENT COMMITMENTS

In order to implement the CCB, the Minister of Families, Children and Social Development will “work with the Minister of Finance to design and implement the Canada Child Benefit (CCB).”

In order to ensure government maximizes the CCB’s target efficiency and responds to the urgent needs of low income families, Campaign 2000 recommends:

- The design of the CCB builds in sufficient increases that build on its immediate power to reduce child poverty. While the CCTB/NCBS was indexed annually, no increases to the base amount have been made since 2007. With low levels of inflation, child poverty reduction flat-lined in Canada. Campaign 2000 calls for the CCB design to reduce the child poverty rate by 50% in 5 years.

- All children in Canada should receive the full CCB. The federal government should take the lead on entering into agreements with the provinces and territories to ensure that no claw backs are permitted on any portion of the CCB from social assistance benefits. Children in families in receipt of social assistance live in legislated poverty throughout Canada. The federal government must break the cycle of punishing children for their family’s source of income.

EVEN FAMILY DESERVES A LIVEABLE INCOME

Social assistance incomes are inadequate in every Canadian jurisdiction, causing hunger, housing instability, exposure to stigmatization, social exclusion and discrimination, and poor health outcomes. Low income assistance rates punish Canadians forced to rely on the system of last resort due to dismal employment options, disability, personal or family illness. Improving incomes for Canadians on income assistance must be part of a renewed approach to Canada’s social safety net.

The federal government must increase funding for the Canada Social Transfer, remove arbitrary growth restrictions, provide sufficient, stable and predictable funding that recognizes regional economic variations, and ensure that both federal and provincial governments are accountable for meeting their human rights obligations to provide adequate income support for all low income Canadians without other adequate means of support.
WORK IS NOT A PATHWAY OUT OF POVERTY

The labour market offers little stability for many families - 37% of children in poverty have one parent who works full-time, full-year. The growing trend towards low wage, precarious, part-time and contract work without essential benefits has gained public attention. Public policy measures must be developed to address the impacts of today’s labour market as unpredictable, low wage work makes it difficult for parents to spend time with their children, afford and schedule childcare and budget for household expenses.

Nearly one million workers in Canada hold two or more jobs, while over two million workers are stuck in temporary employment—the highest number ever recorded. According to TD Economics, in precarious work there was an “income gap between $11,600 and $18,000 in 2014 relative to jobs with less uncertainty.” Marginalized workers are penalized by systemic discrimination; earnings are ‘colour coded’ with racialized workers earning only 81.4 cents to a dollar earned by non-racialized workers, while non-racialized women experience a 31.5% gender pay gap in Ontario. Full time work at minimum wage leaves workers in poverty in every part of Canada.

Food bank use in 2015 was 26% higher than in 2008 at the onset of the great recession and 16% of those assisted at food banks earn the majority of their income through work.

Gaps in the social safety net create further poverty traps for working parents. Barriers in accessing employment Insurance (EI) are significant, with the national recipient rate hovering around 40% of the unemployed. Access to EI must be improved, benefit levels increased. A commitment to eliminate the discriminatory 910 hour requirement for re- and new entrants is welcome; this must be followed with reducing the number of qualifying hours to 360 for all workers. Enhanced benefit levels and a longer benefit period, such as 50 weeks, are required to enable laid off workers to pay the rent and feed their kids.

Implementing a national pharmacare program, and enhancing medicare to a broader range of health services, can also help prevent poverty among working parents who lack benefits and improve their overall health.
UNIVERSAL EARLY CHILDHOOD EDUCATION AND CARE CRITICAL TO ERADICATING CHILD POVERTY

A universally accessible high quality childcare program has always been fundamental to Campaign 2000’s child poverty eradication agenda. Envisioned as early childhood education and care (ECEC), a national childcare program is part of advancing healthy child development, school readiness and well-being. It is also critical in enabling parents’ participation in the workforce or education to escape poverty, building strong communities, fully including children with disabilities, welcoming newcomers and strengthening women’s equality across Canada.

Currently, Canada has no national childcare policy. Provinces and territories have made numerous attempts to better integrate care and education, expand public kindergarten, promote quality improvement and engage in longer-term planning. Still, Canadian ECEC is inadequate in 2015 and fails to meet to meet the needs of the majority of children and families.

Low-income families are especially poorly served with childcare. Parent fees are unaffordable, climbing as high as $1,676 in Toronto (monthly median for infant care); while subsidies, offered by all provinces/territories except Quebec, can be subject to long wait lists, failing to make childcare fully financially accessible and including hefty surcharges of up to $500/month.43 Regulated childcare remains highly unaffordable for low and middle income families alike even if they can secure a space. As a result, most families continue to rely on unregulated arrangements that are sometimes legal, sometimes not, but all without public oversight. Data about unregulated childcare is unavailable - as is data about many other aspects of childcare.

The most recent data show that—while the ECEC picture remains far from sanguine —we may be entering a period of reasonably fertile ground for progress. The provincial/territorial 2014 data show a somewhat more solid increase in regulated spaces than in recent years for 0-5 year olds—almost 40,000 since 2012. The percentage of children for whom there was a regulated space has reached 25% for 0-12 year olds and 24% for 0-5 year olds using centre-based services. At the same time, mothers’ employment rates have continued to rise, reaching 70% for those with youngest child 0-2 for the first time, 77% with 3-5 year olds and 82% with 6 – 15 year olds.44

GOVERNMENT COMMITMENTS

The Minister of Families, Children and Social Development will “work with the Minister of Indigenous and Northern Affairs to launch consultations with provinces and territories and Indigenous Peoples on a National Early Learning and Childcare Framework as a first step towards delivering affordable, high-quality, flexible and fully inclusive child care.”45 A meeting with provinces, territories and Indigenous communities is to take place in the first 100 days of the new mandate and government committed to “research, evidence-based policy, and best practices in the delivery of early learning and child care.”46

The commitment to design a national policy framework based on the best available evidence is welcomed by groups like Campaign 2000 who are looking for real change on childcare. There is substantial evidence that a universal, high quality, publicly funded and managed childcare system is the best way to move ahead. We are also pleased by the specific attention to ECEC for Indigenous communities at the outset of the process.

The federal government must ensure that the national policy framework and initiatives in each province and territory move Canadian childcare away from the current market model towards a more equitable, planned, public approach – the best practice in policy and service delivery. The policy framework must begin with clear principles – universality, public and not-for-profit delivery, high quality and comprehensiveness. A clear strategy with targets and timelines must be worked out with provinces/territories and Indigenous communities to create a national ECEC program.

We are concerned about the approach to financing childcare services described in the party platform. Improving childcare to support families Canada-wide requires a clear commitment to substantial sustained earmarked funding in order to be successful. We propose an emergency infusion of $500 million in federal transfer payments earmarked for regulated child care to provinces/territories/and Indigenous communities while further details about long-term funding are being worked out.
Finally, we are extremely supportive of improvements in maternity/parental leave. We expect a thorough approach to this program to include improved flexibility as well as considerations of eligibility and improved benefit rates so that parents in low income can also access an extended leave. Campaign 2000’s 2014 call to extend and enhance parental leave benefits to include all new parents (adoptive, student, trainee, self-employed parents, part-time and casual workers), so they are more flexible and include a secondary caregiver benefit, provides a strong foundation for government to draw upon.

HOUSING

High demand for social housing and rising rents leave families unable to afford housing appropriate for their family size and household status, i.e. age, mobility or job location. Over 730,000 renter households experience extreme housing affordability problems; they have low incomes and spend more than 50% of their income on rent, putting them at risk of homelessness. An estimated 235,000 people experience homelessness annually while children are 1 in 7 shelter users in Canada.

Women fleeing violence, immigrants, racialized and LGBTQ people and youth face discrimination and barriers to renting; many are left with few options but to ‘couch surf,’ stay in shelters or remain in unsafe situations. Housing in First Nations is in crisis—often unsafe, in poor repair and extremely over-crowded. When Aboriginal people leave reserves to escape extreme poverty, many are met with ongoing discrimination and exclusion in Canadian cities. Aboriginal peoples are “over-represented in the homeless population in virtually every community in Canada,” and this over-representation increases “as one moves west or into northern communities.”

According to the Canadian Paediatric Society (CPS), living in inadequate, crowded and unaffordable housing can “negatively impact all aspects of child and youth physical, mental, developmental and social health.” Such impacts include higher vulnerability to asthma and injury, an accelerated spread of communicable diseases, inadequate nutrition, anxiety and insomnia, less physical exercise and diminished school performance. For those with disabilities, inaccessible housing leaves them stranded in one part of their home, negatively impacting their self-esteem. CPS notes that housing need has been linked to a lack of access to a safe water supply; in August 2015 there were 142 Drinking Water Advisories in effect in 96 First Nation communities across Canada, excluding British Columbia.

GOVERNMENT COMMITMENTS

Mandate letters instruct Ministers to “Develop a 10-year plan to deliver significant new funding to provinces, territories and municipalities” that should focus in part on “social infrastructure, including affordable housing” and to “create a housing strategy to re-establish the federal government’s role in supporting affordable housing.” Support and funding for municipalities has been pledged to maintain rent-gared-to-income subsidies in co-ops and for Housing First initiatives. They will also “improve essential physical infrastructure for Indigenous communities including improving housing outcomes for Indigenous
Peoples” while “growing and maintaining Canada’s network of shelters and transition houses” for those fleeing domestic violence.

It is promising that the federal government will reassume its role in supporting affordable housing. Campaign 2000 urges the government to develop a comprehensive national housing strategy reflective of the needs of local communities and First Nations in partnership with provinces, territories, municipalities, First Nations, the non-profit sector and the private sector. The strategy requires affordable housing targets for specific populations including low income families and others with high levels of core housing need. It should be paired with a long-term funding commitment to create and retain existing affordable housing and to support capital repairs so that governments, non-profits and the private sector can plan with certainty.

INCOME INEQUALITY

The unequal distribution of income leads to unequal opportunities and unequal futures for children in Canada. Deep inequality has been correlated with shorter life expectancies, educational and behavioural challenges, hunger and limited access to physical activity among children. Campaign 2000 is currently unable to report on income inequality among families with children because data tracking historical trends have not been released since 2011; these data are expected in 2016.

Chart 9 presents inflation adjusted data on individuals’ incomes in Canada from 1982-2013. The incomes of the top 1%, those earning at least $158,000 annually after taxes, increased by 49.1% compared to the 8% increase for the bottom 99%. Incomes among the richest 0.01% grew even more dramatically, increasing by 162.1% over 30 years, compared with a 15.2% increase in incomes for the bottom 50% of earners.

The Organisation for Economic Co-operation and Development’s (OECD) analysis of income distribution shows alarming trends that Canada must tackle to reduce income inequality:

- Children are the population group at greatest risk of poverty in Canada, next are young people aged 18-25.
- 12% percent of Canadian households are over-indebted compared with the 9% OECD average.
- Canada has the highest rate of poverty for non-standard workers in the OECD (35%, compared to an OECD average of 22%).
- Social transfers lift only 13% of jobless Canadian households out of poverty, while this is true for 50% on average across the OECD.
- Canada has one of the biggest gender pay gaps in the 34 nation OECD. The difference between male and female median wages is 19% in Canada against 15% on average in the OECD.

GOVERNMENT COMMITMENTS

The Minister of Finance will implement the “middle-class tax cut,” financed by a 4% tax increase on the wealthiest one percent and the cancellation of income splitting “and other unfairly targeted tax breaks,” while retaining income splitting of pensions for seniors. The Minister will also review “tax expenditures and other spending to reduce poorly targeted and inefficient measures, wasteful spending, and government initiatives that are ineffective or have outlived their purpose.”
These commitments are a welcome first step in reducing inequality; however, more could be done. Half of Canadians have pre-tax incomes below $31,400, but the tax cut targets those with incomes between $45,000 and $90,000. This redistributes the burden from upper middle income Canadians to those near the top of the income distribution, leaving the situation of the poor unaffected.

High levels of income inequality are tied to lower income mobility possibly affecting a lifetime of earnings and outcomes and leading to inter-generational poverty. To ensure children escape poverty, Canada must increase its fiscal capacity. The provision of public services is a powerful tool to reduce inequality. The creation of quality jobs at living wages and investments in income security and public programs, such as childcare, social housing, education and healthcare are concrete ways that government can address inequality.

SUPPORT NEEDED FOR CANADA’S YOUTH

It is encouraging that the new Prime Minister is also the Minister of Youth and that the new government will establish an Office of the Commissioner for Children and Young Persons in Canada. The pressing needs of the most marginalized youth, those who are Indigenous, immigrant, racialized, LGBTQ and young single mothers need immediate attention to spare another generation from poverty and inequality.

Canadian youth have an unemployment rate of 13.2%. They are widely affected by underemployment in low-skilled and precarious jobs, with temporary jobs (contract, seasonal, casual) making up 30.8% of all youth employment. The lack of good jobs can impact job mobility and total earnings over a lifetime, making it harder for young people to take care of their elders or start families.

While post-secondary education improves access to opportunity, sky high tuition rates can make it unattainable. Since 1993–94 tuition and other fees in Canada have tripled, and graduates’ average debt from a Canada Student Loan has reached approximately $28,000. Coupled with other poverty-related barriers, taking on such sizable debt can pose insurmountable risks.

GOVERNMENT COMMITMENTS

The Minister of Employment, Workforce Development and Labour has been mandated to “increase the number of good quality, permanent jobs for younger workers,” including through increasing investment in the “Youth Employment Strategy and improving the strategy’s impact.” The Minister is “to work with provinces and territories to make post-secondary education more affordable for students from low- and middle-income families” in part by “expanding the Canada Student Grant for low income students and increasing the income threshold for eligibility,” and changing the income thresholds in the Repayment Assistance Plan to ensure that no graduate with student loans will be required to make any repayment until they are earning at least $25,000 per year.” The Minister will also work with the Minister of Indigenous and Northern Affairs to fulfill the commitment to increase annual support to the Post-Secondary Student Support Program.

It is evident there are many conditions that prevent youth from reaching their potential. Canada must seize the opportunity for national change that ensures equitable treatment and access to opportunity for all young people.
HUNGER AND FOOD INSECURITY A DAILY REALITY

Hunger is a painful daily reality for far too many in Canada. Even with the limited data available, the national picture is very bleak: 12.5% of households, including around 1 million children, experience food insecurity.67

Since 2007, more households are 'food insecure', lacking reliable access to adequate amounts of safe, good-quality, nutritious food.68 Women, children, Aboriginal people, recent immigrants, and the elderly are more likely to be food insecure.69 Increased risk also lies among families with children, lone parent families (particularly lone mothers), renters, and families in rural regions.70

A parent’s ability to put food on the table depends on income, geographic isolation, cost of food, access to transportation, and the costs of rent, hydro and heat.71 Unfortunately childhood food insecurity is linked to obesity, anemia, diabetes, chronic stress, depression and other physical and mental health related outcomes.72

Food banks were originally intended as a temporary relief strategy but are now fixtures in many communities. There has been a 1.3% increase in food bank users since 2014, with 852,137 people now accessing food bank services each month.73 Over 1 in 3 of those helped are children.74 The Northwest Territories, Yukon and Nunavut experienced an astonishing 9.1% increase in food bank use since 2014.75 The cost of food has increased by 3.5% in Canada since 2014 with the largest increases in Saskatchewan, Manitoba, Alberta and British Columbia.76 The current makeup of food bank users show people’s main source of income is from employment followed by Employment Insurance, social assistance, and disability related income.77 It is clear that families require living wages and more robust income supports to end hunger and meet their basic needs.

The serious impact of hunger and inadequate nutrition requires monitoring. This data will provide a powerful indicator of the effectiveness of the planned National Poverty Reduction Strategy in reducing the number of families and children experiencing hunger.
CHILD POVERTY IS A GLOBAL ISSUE

Poverty means “basic needs such as food, shelter, clothing, clean drinking water, warmth, and safety that cannot be met due to lack of money”

From Poverty, What Is It? a discussion booklet for students in Grades 5 to 8, Canadian Teachers’ Federation & Keep the Promise

Eradicating child poverty should be one of the world’s most important and urgent tasks

In almost every country in the world, rich or poor, children are more likely to live in poverty than adults, and their particular life stage makes them more vulnerable to its devastating effects with potential lifelong consequences for their physical, cognitive and social development. While children suffer the impacts of poverty most severely and immediately, the harmful consequences for societies, economies and future generations can be felt nationally, regionally and even globally.

Children are paying a high price for today’s growing inequality

The OECD’s latest report, How’s Life? examines the extent to which some children get a better start in life than others. Poverty affects one child in seven in OECD countries, while 10% of children live in jobless households. Since the economic crisis, child poverty rates have risen in 2/3 of OECD countries. In most OECD countries, the poverty rate for children is higher than for the population in general. 

According to UNICEF’s latest report on child well-being, Canada stands at a miserable 17th out of a total of 29 nations, using 5 dimensions of child well-being measures, including material well-being; health and safety; education behaviours and risks; housing and the environment.

What will it take to end child poverty globally?

As stated in a recent joint statement by the Global Coalition Against Child Poverty together with other global partners united in the fight against child poverty, Towards the End of Child Poverty, a global agenda to address child poverty should include the following:

- Child poverty should be an explicit part of the global development framework and its implementation
- Every country should ensure that reducing child poverty is an explicit priority on their agenda and includes as appropriate in national plans, policies and laws
- Each country needs to expand child-sensitive social protection systems and programs
- Improving access to quality public services for the poorest children should be a priority
- There needs to be an inclusive economic growth agenda to reach the poorest and most deprived, recognizing that shared prosperity is crucial to eradicate extreme poverty.
ENDNOTES

1 The umbrella term Indigenous includes the three primary groups with Aboriginal rights as outlined in Canada’s constitution. They are: First Nations or Indian, Métis and Inuit. We name First Nations and use the term Aboriginal in this section deliberately in order to be consistent with the language used cited sources and to maintain the specificity of recommendations and the accuracy of the data as it is being reported.
2 Jordan’s Principle calls on all government institutions and departments to ensure that children’s needs are met first and to resolve jurisdictional disputes later.
3 Statistics Canada data on low income always have a 2-year time lag.
6 Ibid
7 Statistics Canada. Table 111-0015 - Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual, CANSIM.
11 Statistics Canada. Table 111-0015 Family characteristics, Low Income Measures (LIM) by family type and family type composition (annual number unless otherwise noted). CANSIM database. (accessed: September 2015)
26 Rankin, A. (3 November 2015). Mi’kmaq chiefs urge MPs to join welfare fight: Federal policy change could see benefits cut in half. Retrieved from http://thechronicleherald.ca/novascotia/1320556-mi%22E%228%29mi%22E%229mkaq-chiefs-urge-mps-to-join-welfare-fight
27 Statistics Canada (2013). Small Area Administrative Data: Taxfile Family Series-Table 3B.


Statistics Canada. Table 204-0001 - High income trends of tax filers in Canada, provinces, territories and census metropolitan areas (CMA), national thresholds, annual (percent unless otherwise noted), CANSIM (database). (accessed: November 2015).

According to the OECD, standard workers are those in full-time open-ended contracts. Non-standard workers are in temporary work, part-time work or self-employment.
61 Statistics Canada. Table 204-0001 - High income trends of tax filers in Canada, provinces, territories and census metropolitan areas (CMA), national thresholds, annual (percent unless otherwise noted). CANSIM (database). (accessed: November 2015).
68 Ibid
72 Ibid
74 Ibid
75 Ibid
ACKNOWLEDGEMENTS

Campaign 2000 thanks the following for their support: Congregation of the Sisters of St. Joseph in Canada, Elementary Teachers’ Federation of Ontario, Faculty of Social Work, University of Manitoba, Food Banks Canada, Make Poverty History, Maytree Foundation, Laidlaw Foundation, Metcalf Foundation, Muttart Foundation, Ontario English Catholic Teachers’ Association, Ontario Secondary School Teachers’ Federation, Toronto Public Health-Urban Issues Team, UNIFOR, Art Gallery of Ontario, Ontario Science Centre, our most dedicated Steering Committee members, Campaign 2000’s national, provincial and community partner organizations, as well as many individual and organizational supporters.

Special thanks to First Call: BC Child and Youth Advocacy Coalition, Canadian Centre for Policy Alternatives, Childcare Resource and Research Unit, Edmonton Social Planning Council, Good Jobs Coalition, Income Security Advocacy Centre, Advocacy Centre for Tenants Ontario, and others for their research support.

For its ongoing, generous support, thanks to Family Service Toronto, our host and a member agency of United Way Toronto & York Region.

Campaign 2000 is a non-partisan, cross-Canada coalition of over 120 national, provincial and community organizations, committed to working together to end child and family poverty in Canada. For a complete list of partner organizations, visit www.campaign2000.ca. Download this Report Card and/or other Campaign 2000 publications at www.campaign2000.ca or call us for a hard copy at 416-595-9230 x244.

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Publication: Campaign 2000
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Reviewers include: Sheila Block, Sid Frankel, Adrienne Montani, & Laurel Rothman
Translation: Jocelyne Tougas
Design & Layout: Liyu Guo, Mallory Hilkewich, Emmalys Mulder
Printing: Toronto Public Health – Urban Issues Team & Union Labour, OPSEU Local 594
Website Design: Ligia Hendry, Family Service Toronto