A Generation of Broken Promises
The 2014 Report Card on Child and Family Poverty in Nova Scotia

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Introduction

It has been 25 years since the resolution to end child poverty by the year 2000 was passed unanimously in the Canadian House of Commons.

“This House seek(s) to achieve the goal of eliminating poverty among Canadian children by the year 2000”. —House of Commons, November 24, 1989

The UNICEF Research Centre’s Report Card 11: Measuring Child-Well-Being in Rich Nations ranks Canada 25th out of 35 industrial countries on the measure of child poverty with a child poverty rate of 14%. Canada ranks 17th out of 29 countries on overall child well-being.1 As the UNICEF report card states clearly: “failure to protect and promote the well-being of children is associated with increased risk across a wide range of later-life outcomes. Those outcomes range from impaired cognitive development to lower levels of school achievement, from reduced skills and expectations to lower productivity and earnings, from higher rates of unemployment to increased dependence on welfare, from the prevalence of antisocial behaviour to involvement in crime, from the greater likelihood of drug and alcohol abuse
to higher levels of teenage births, and from increased health care costs to a higher incidence of mental illness.”2

This 25th anniversary of the House of Commons pledge to end child poverty must be a time for serious reflection on family and child poverty across our country. Nova Scotia Child and Family Poverty Report Cards have tracked progress on this commitment since 1999. The year 2000 came and not only was child poverty eradication far from achieved, it had actually increased quite substantially since 1989. The current report compares the most recent data (2012) to the year the pledge was made and to the year 2000 in which child poverty was to be eradicated.

Nova Scotia’s first report card included the following adapted poem by Gabriela Mistral, Nobel Prize winning poet from Chile.

**The Child’s Name is “Today”**
We are guilty of many errors and faults
But our worst crime is abandoning the children,
Neglecting the fountain of life.
Many things we need can wait.
The child cannot.
Right now is the time bones are being formed,
Blood is being made, senses are being developed.
To the child we cannot answer, “Tomorrow”,
The child’s name is “Today”.

When the authors of the first Nova Scotia Child Poverty Report Card were asked,3 Pauline Raven and JoAnna LaTulippe-Rochon said that they felt it is important to reflect on this poem once again. They offer,

Can Canada show the girl and boy standing before us today that they matter more than all the millions abandoned between 1989 and 2014? Study after study describes poverty as a profound and damning thing for child development. The political response has been to watch poverty levels dip and rise. On the sidelines, statisticians have debated how measurement might best occur...too often with a view to reporting the lowest numbers possible. There have been champions. Despite that Canada has arrived at a shameful place.

Right now our inaction tells the world this nation thinks one in four children are not worth it.

Not worth feeding.

Not worth shelter.
We’ve been persuaded to take some comfort in how resilient some children can be. But here’s the bottom line...Our lack of investment in child poverty reduction has destroyed or diminished an untold number of young lives over this 25-year period.

It is especially critical for us to reflect on the status of child poverty and take action to end it, because as UNICEF warns: “the Great Recession is about to trap a generation of educated and capable youth in a limbo of unmet expectations and lasting vulnerability.” Let’s not let another generation suffer broken promises.

**Background: What Does the Child Poverty Rate Mean?**

In Canada there are three widely used measures to track poverty statistics: the Low Income Measure, the Low Income Cut-Off, and the Market Basket Measure. Canadian governments use different measures with no one official measure of poverty being used by all. For the purposes of the current report card, the only available new data (from 2012) on child poverty is the After-Tax Low Income Measure (AT-LIM) for children under the age of 18. The AT-LIM is the most recognized measure of poverty internationally. It is used by UNICEF, the Organization for Economic Cooperation and Development, and the European Union. UNICEF explains this poverty rate as follows: “it shows the proportion of children who are to some significant extent excluded from the advantages and opportunities which most children in that particular society would consider normal.”

Most of the poverty statistics in this report, therefore, are based on this measure.

Statistics can tell us how many children in Nova Scotia are living in low income households, how this has changed over time (or not), and which families are the most vulnerable to poverty, but they do not provide insight into how poverty is actually experienced by families. It is also important to note that child poverty should be considered within the context of family poverty because poor children have mothers and/or fathers living in the same circumstances. Furthermore, child and family poverty is only one aspect, albeit an important one, of a broader story of poverty in Nova Scotia—a story that includes people with disabilities, seniors, students, single people, and people that are generally un- or under-represented by statistics.

25 years on we would like to report major improvements. However at Adsum we continue to witness generational poverty.
Sadly we are still waiting for systemic changes that would ensure that everyone has a safe secure home, adequate nutritious meals, opportunities to learn, to play and to engage in meaningful employment.

We know too many children who do not experience a real childhood. They have to grow up too fast, worrying about how not to burden their moms, how to hide their meagre meals in the school lunchroom, their worn clothes and the shame that often accompanies being poor.

We can and we must do better.”

—Sheri Lecker, Executive Director, Adsum for Women and Children, Halifax

The Record 1989–2012: Child Poverty Has Increased

Figure 1 shows child poverty rates in Nova Scotia for three key years: 1989—the year the promise was made; 2000—the goal year for eradication of child poverty; and 2012—the year for which we have the most recent statistics. In 1989, the child poverty rate was 18.1 % (41,910 children). By the year 2000, despite the promise of child poverty eradication, the child poverty rate ac-
Actually increased by 42.5% when over 1 in 4 (25.8%) Nova Scotian children were living in poverty (53,920 children). In 2012, 22.2% of Nova Scotian children were living in families with incomes below the AT-LIM. This means that 37,900 children or more than 1 in 5 children in Nova Scotia were living in poverty in 2012. Comparing the child poverty rate in the year 2000 to the rate in 2012, we can see a slight decrease (13.9%). However, the percentage of children living in poverty in 2012 in Nova Scotia is in fact 22.7% higher than it was in 1989.

Figure 2 uses the AT-LIM to record the overall increase or decrease in child poverty rates between 1989 and 2012 in each province and Canada as a whole. In 1989 Nova Scotia had the fourth-highest child poverty rate. By 2012, with the third-highest provincial child poverty rate, and the highest rate in Atlantic Canada, we lost ground relative to other provinces. Between 1989 and 2012, child poverty rates decreased in three provinces (Newfoundland and Labrador, Quebec, and Alberta) and increased in six (Ontario, British Columbia, Prince Edward Island, Manitoba, Nova Scotia, New Brunswick, and Saskatchewan). The net result for Canada was an increase of 20.9 percent in child poverty (from 15.8% in 1989 to 19.1% in 2012).
Lowest Child Poverty Rates in Halifax, Highest in Cape Breton

*Figure 3* illustrates that within Nova Scotia, the child poverty rate varies by geographical area, showing the lowest rate in Halifax. The child poverty rates in Nova Scotia are highest in Cape Breton where astonishingly, 1 in 3 children (32.6%) are living below the After-Tax (LIM). Rates in Kentville (24.4%) and New Glasgow (24.3%) were also higher than the provincial average where approximately 1 in 4 children are living in poverty. Truro reported a rate of 21.8%, and Halifax 18.6%.
The Most Vulnerable in 2012

Children of Aboriginal Identity, Racialized Children and Immigrant Children

Unfortunately, due to the discontinuation of the mandatory Long Form Census, there is no recent data on family and child poverty for aboriginal, racialized, and immigrant families in Canada. However, we do know from 2006 Census data that child poverty rates in Canada were as much as three-fold higher within these groups at that time. For example, according to the 2006 Census data, the child poverty rate for all indigenous children in Canada was 40% (50% for First Nations children) compared to 17% for all children. Indeed, racialized children suffer a poverty rate of 22%. Immigrant children’s poverty rate was 33%.

While there is no available data on poverty rates for aboriginal, racialized, and immigrant children specifically within Nova Scotia, given what is known about their unemployment rates, labour market participation rates, average income rates, there is no reason to think that children of these families are any less vulnerable here than they are in the rest of Canada.
It is also important to note that there is also no data on child poverty rates for either children with disabilities or children of parent/s with disabilities, but we do know that people with disabilities face a higher poverty rate than those without.  

**Lone Parent Families**

*Figure 4* shows that children living in lone-parent families are more likely to live in poverty than children living in couple families. In 2012, **half (49.9%)** of the children living in lone parent families in Nova Scotia lived below the **AT-LIM (24,600 children)** compared with **10.9%** of children living in couple families (13,060 children).

**Larger Families**

For the first time, the data used in this report card allows for a consideration of larger families. The data shows that children living in larger families also have higher rates of poverty. The poverty rate for children in families with
three or more children was 28.6% in 2012, 20.7% more than the rate for families with only one child, and 69.2% more than families with two children.

**Families Who Depend on Welfare for Household Income**

Children in families that depend on welfare are particularly vulnerable to poverty. The Caledon Institute of Social Policy reports welfare incomes in Canadian provinces annually. Welfare incomes include income assistance payments, federal and provincial child tax credits, and goods and service tax credit payments. *Figure 6* illustrates that total welfare incomes in Nova Scotia remained flat since 1989 (in constant 2013 dollars). In 2013, welfare incomes for lone parent families with one child were actually $772 per annum lower in 2013 (in constant dollars) than they were in 1989, the year the promise to eradicate child poverty was made. Looking across 1989–2013 the average welfare payments were only $16,011 per year. For a couple with two children, the average welfare income across the years from 1989 to 2013 was $21,829. For this family type, incomes were only $535 per year higher in 2013 than in 1989. With only a slight increase after 24 years, the welfare income provided to a couple with two children in 2013 remains far below the
poverty line (After-Tax LICO). They were struggling with an income gap of $8,781 annually, which is the amount by which their welfare income falls below the poverty line. The annual incomes of lone parent-one child families on income assistance were $4,134 below the poverty line.

The Impact of Child Poverty

Food Insecurity

One devastating outcome of family poverty is household and individual food insecurity. Food insecurity encompasses a range of experiences including worry and vulnerability over food access, less than ideal food quality, undesirable food acquisition methods, and various degrees of food deprivation. Income is the strongest determinant of household food security in high-income countries. Tarasuk, Mitchell & Dachner (2014) recently reported on the latest food insecurity data from the Canadian Community Health Survey, indicating that in 2012, Nova Scotia had the second highest rate of household food insecurity, second only to Nunavut. Figure 7 shows that...
17.5% (up from 17.1% in 2011) of Nova Scotian households were food insecure in 2012. The rate of household food insecurity in Halifax was higher than any of the other 33 reported urban areas in Canada at 19.9% (1 in 5 households), showing a statistically significant increase over time from 2007–08. Even more alarming, 21.2% of children in Nova Scotia lived in food insecure homes. Children’s food insecurity is reflected in the food bank statistic that almost one third of users in Nova Scotia (32%) were children in both 2012 and 2013.\(^1\)

**Child Wellness Measures**

Inadequate incomes, income inequality, and food insecurity are major barriers to the healthy development of children. Evidence suggest that children living in low-income circumstances typically suffer from multiple disadvantages throughout their lives including poorer educational outcomes, poorer health, poor dietary intake and nutritional status, and higher rates of delinquency.\(^1\) The UNICEF Innocenti Research Centre reports that 30% of children in poor families in Canada are developmentally vulnerable compared to 15% of children in higher income families.\(^2\) Family and child poverty eradication, therefore, is essential for the well-being of our most vulnerable citizens and the collective well-being of our Nova Scotian communities, now and into the future.

**Ending Child Poverty**

Ending family and child poverty is achievable and depends to a large degree on governments’ agendas for poverty reduction and eradication, as well as their broader social and economic public policy priorities.

**Address Income Inequality**

Comparing the median income of the wealthiest 10% of families with middle and low-income families shows a growing inequality gap. Figure 8 shows how the median income of the wealthiest families ($179,339/year) in Nova Scotia with children under 18 has been steadily climbing. However the median income of the lowest income families ($19,756/year) has remained stagnant between 1989 and 2011. Middle class incomes also saw very little growth during this time. As a result, we see rising income inequality with
an increased gap between the highest income earners and the middle and lower income groups. High levels of inequality between citizens are reported to lead to social problems, health disparities and increased crime rates.¹⁶

Enhance Government Transfers

Government transfer payments do reduce the rate of child and family poverty as is demonstrated in Figure 9. These transfer payments are delivered by both the federal and provincial governments and include both children’s benefits and benefits to other family members (federal and provincial Child Tax Credits, the Goods and Services Tax credit, Employment Insurance, Income Assistance, and the Affordable Living Tax Credit). The space between the two lines in Figure 9 shows the level of poverty reduction as a result of transfer payments. On average between 1989 and 2011, the child poverty rate was lowered by 11 percentage points due to government transfers to families; however more is required to eradicate child poverty.

As a country we promote a national pride in being generous to others, but have yet to recognize that how we treat our own citizens is a direct reflection
of our values as a society. Public opinion on poverty has helped shape our public policy in how we support and work with those living in poverty and unfortunately what we see more and more of every day is this idea of "deserving" and "undeserving" poverty with women with children being the latter.

—Michelle Ward, Executive Director of Kids First Family Resource Program, Pictou, Antigonish, and Guysborough County

**Government Interventions, Public Policy and Public Investment**

A number of government interventions are required that combine initiatives aimed at enhancing opportunities for decent paid work, adequate supports for families to engage in work, and adequate government transfers to support family well-being more generally. There is a need for public policy and public investment aimed specifically at reducing family and child poverty. Despite a relative lack of progress in ending child poverty, government programs such as the Canada Child Tax Benefit, the National Child Benefit Supplement and the Nova Scotia Child Benefit, have helped and with enhancements could prove more useful tools for reducing child and family poverty.
An enhanced national child benefit for low-income families to a maximum of $5,600 per child (2013 dollars, and indexed to inflation) would be one effective poverty reduction measure for families.

Clearly, tax benefit payments are not the only measure required to reduce child poverty. Families who rely only on government transfers are living far below the poverty line. Combined total welfare income (income assistance payments and tax benefits) needs to be higher to ensure that families can cover their basic needs. There have been slight increases to the personal allowance portion of income assistance payments over the last several years, but there have been no changes to the shelter allowance despite increases in rents and housing costs. As a result families are often forced to use portions of their personal allowance or their Child Tax Credit to cover shelter costs, compromising their ability to purchase food.

Stable employment also helps to alleviate or reduce child poverty, but having a job, especially if it is at minimum way or part time, in itself, does not solve the problem. The recession in 2008 increased the growth of precarious employment (part-time, temporary, or contract often with low wages and few benefits). Changes to the eligibility criteria for Employment Insurance instituted in 2013 also mean that fewer seasonal and precariously employed workers are covered. Statistics Canada reports that between 2006 and 2012 Nova Scotia has experienced a steady yearly increase in the proportion of people working for minimum wage—from 5.9% to 8.8%—a 49.2% increase overall.

The Nova Scotia government has committed to steadily increasing the minimum wage, which is based on the LICO for an individual working full-time in Sydney. In 2010, the NDP government committed to index the minimum wage annual to inflation using the consumer price index, with changes taking effect April 1st of every year. The most recent increase, on April 1st, 2014 brought the minimum wage to $10.40/hour, one of the highest in Canada. While this is a positive step, the full impact of which will not become apparent until 2014 data is available in 2016, more is required if we want to begin to close the gap between the lowest paid workers and higher paid workers and push Nova Scotia out of the low-wage ghetto. Nova Scotia ranks consistently as either the lowest or second lowest weekly average incomes in the country. A minimum wage based on the LICO is obviously not adequate to significantly reduce or erase child poverty, even in two parent families where both parents are working—even less so for single parent families. A minimum wage indexed to 70% of the median Nova Scotian wage would ensure the effectiveness of minimum wage policy seeking to
achieve more equity and fairness in the labour market. This broader agenda, linked to one that strengthens labour standards, is an essential component of eradicating child poverty and indeed ensuring that more families enjoy their fair share of the wealth in our province.

Provincial government initiatives targeted towards families living in low-income in Nova Scotia are important. The creation of more subsidized childcare spaces was one outcome of the Nova Scotia Poverty Reduction Strategy introduced in 2009. Welcome policy changes also occurred in 2010, when the income threshold for the Nova Scotia Child Benefit increased making 7,500 additional children eligible for this benefit. In the same year the government introduced the Affordable Living Tax Credit — a quarterly payment attached to families’ refundable GST/HST credit. In 2011, this tax credit was indexed to inflation, and there was a $250 increase to the yearly personal income tax exemption. The Personal Allowance for adult recipients of Income Assistance was also raised by $15/month (although this was not tied to increases in the cost of living and therefore not a guaranteed annual increase) and there was a slight decrease in the earnings clawback for those receiving Income Assistance. In 2012, (the year from which most of the data for this report card has used) there was a 5% increase in the Nova Scotia Child Benefit and a modest $9 a month increase in the Income Assistance Personal Allowance rate. In 2013 there was a $17 increase in the Income Assistance Personal Allowance, and an increase to the annual school supply supplement for children. The newest poverty reduction measure for families and children went into effect on July 1st, 2014 when the Nova Scotia Child Benefit income threshold was raised from $25,000 to $26,000.

On April 3, 2009, the Nova Scotia government released its Poverty Reduction Strategy. “The strategy provides a framework for addressing the needs of those most vulnerable and those at risk of falling into poverty, while promoting the prosperity necessary for Nova Scotia to grow... The vision for 2020: to break the cycle of poverty by creating opportunities for all Nova Scotians to participate in the prosperity of the province and enjoy a better standard of living.” While this strategy has been criticized by antipoverty advocates for its lack of detail and targets and timeline, it actually does provide some detail in relation to child poverty; it has a benchmark, which we assume is for the year 2020: **16,000 children under 18 representing 8.7% of the population.** The rightful target should be the complete elimination of child poverty, but reaching this target would at least ensure that 20,000 children would no longer live in poverty in Nova Scotia. Clearly, however,
both federal and provincial governments have a lot more work to do over the next five years to even reach that target.

Public investments aimed at poverty reduction for families must also include access to a well-designed, affordable early learning and childcare system. In 2014, Canada still lacks a national approach to early learning and childcare and regularly fails to meet international benchmarks for best practice. In 2012, there were only enough regulated childcare spaces in the province for 23.9% of children between 0 and 5 years. If paid work is to be a pathway to ending poverty for the 37,900 children in Nova Scotia living below the AT-LIM, greater access to affordable quality early learning and childcare is necessary and would benefit all Nova Scotian families. Clearly both levels of government have a responsibility to ensure the development of such a system, but the current federal government has consistently refused to develop a national childcare program. Instead it has recently announced a suite of tax measures for families, including an increase to the Universal Child Benefit for children under 6 (from $100/month to $160/month) and a new benefit of $60/month for children 6–17 years. Such a measure does little to cover the real cost of childcare which was reported to be on average $759/month in Nova Scotia in 2012. Additionally the new Family Tax Credit, which will allow a high earner to split their income with a lower earning spouse will do little to benefit the lowest income families whose earnings are so low that they pay little or no tax or have any benefit for lone parent families.

Conclusion

Despite both the federal and provincial government’s initiatives, the child poverty rate in Nova Scotia has marginally increased each year since 2009. Clearly piecemeal increases and marginal tax adjustments have not been robust enough to address inadequate welfare incomes that are thousands of dollars below poverty thresholds. Instead, the limited commitment to family policy to support parents in the workforce, rising housing and food prices, and increases in low-waged precarious employment remain in the way of child poverty eradication. Sadly, we are not likely to see a reverse of the trend of increasing child poverty rates in Nova Scotia unless both the federal and provincial governments make serious investments to do so.

Following on this report card’s opening poem’s call to the child of today: Will another generation of children be asked to be resilient and told to
wait until tomorrow for social and economic justice? Or will this new generation of children be the children of today? Will our governments heed the evidence of the last twenty five years, re-commit themselves to ending child poverty, and most important of all, take concrete action to keep the promise this time?
Data Sources

Unless otherwise stated the information in this report is drawn from three key sources:

• Statistics Canada, CANSIM Table 111-0015, 2012

• Statistics Canada, Income in Canada –2011 (Base LICO 1992)

• Caledon Institute of Social Policy, Welfare in Canada 2013


The author has prepared all figures, tables and related calculations in this report. Sources used to produce figures and tables are noted.

Major changes to the collection of statistics in Canada make 2014 the most difficult year yet to report on child and family poverty. In prior years the Nova Scotia Child and Family Report Cards have relied on data from the Survey of Labour and Income Dynamics (SLID) and the annual release of “Incomes in Canada” for the rate and number of people living in poverty. In 2013, SLID was discontinued and replaced with the Canadian Income Survey (CIS). As of October, CIS data have yet to be released and assessed for
their comparability to SLID data, making it difficult to track progress, or lack thereof, against child poverty. The ability to compare and assess trends in child poverty rates was also hampered by the 2010 cancellation of the Long Form census which was replaced by the National Household Survey (NHS). Data from the census long-form was previously used to track and compare child poverty rates for specific groups with the highest levels of poverty, namely recent immigrant, racialized, Aboriginal and disabled people. Statistics Canada warned users that the 2011 NHS data is not comparable with previous census data because participation in the survey was voluntary, making the results “subject to potentially higher non-response error” when compared to the 2006’s long form census. Tracking the experiences of marginalized groups through a mandatory census is crucial to the design of effective poverty reduction initiatives by all three levels of government.

This report uses Statistics Canada’s T1 Family File (T1FF) to report on poverty unless otherwise indicated. The T1FF is based on Taxfiler data collected from income tax returns and Canada Child Tax Benefit (CCTB) records. 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. After the introduction of the UCCB in 2006, the process of identifying children under 6 has improved. Compared with the official Statistics Canada population estimates, T1FF has better coverage of children. It is important to note that due to methodological differences, low income rates derived from T1FF cannot be compared or contrasted with those calculated through the NHS and SLID.
Notes


2 Ibid, p. 6.

3 Various frontline service providers in Nova Scotia were asked via email to provide written reflections on the following: your thoughts/experiences of Child and Family poverty 25 years later related to your work, the impact you see in children and families’ lives. Some of their responses are included in the report.


5 The AT-LIM is a relative measure of poverty used internationally. It determines poverty thresholds set at 50% of the median Canadian income. After taking taxes and benefits into account and adjusting for family size and composition, those with incomes below this threshold adjusted for household size are considered low income.


9 According to one report, 37.8% of people living in poverty in Nova Scotia have a disability, and 12.1% of people with disabilities live in poverty (in 2009). Crawford, Cameron (2013). Looking into


11 Constant dollars factor out the effect of inflation in order to accurately compare dollar amounts over time.


16 See Wilkinson, R. and K. Pickett. 2009. The Spirit Level: Why Greater Equality Makes Societies Stronger, for an account of how almost every measure of well-being is affected more by how unequal a society than by how wealthy it is.


18 Part of this increase may also be as a result of more workers being pulled in as the minimum wage itself has been increasing; for the rates, see Statistics Canada, Labour Force Survey, 2013. Available at http://www.statcan.gc.ca/pub/71-543-g/71-543-g2013001-eng.htm


24 Ibid.

