A Road Map to Eradicate Child & Family Poverty

2016
Report Card on Child and Family Poverty in Canada

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

FAMILY SERVICE TORONTO
For People. For Change.

Campaign 2000 is hosted by Family Service Toronto, a member agency of United Way Toronto & York Region
INTRODUCTION

A year is a long time in a child’s life. In childhood, the injustice of poverty leaves an indelible mark.

Rapid development within the first year of a child’s life is profound. Parents and caregivers strive to nurture learning and development and ensure children are healthy, safe, secure and thriving.

For families in poverty, the healthy development and safety of their growing children is paramount; yet far too many children are in peril as poverty impairs infant and child development and blocks parental and caregiver efforts. Child and family poverty is unnecessary and unconscionable in a wealthy country – Canada has the resources and policy tools to eradicate it. Instead, successive governments have failed to prioritize sufficiently the lives of children in policy and economic decisions. As a result, today over 1.3 million children (18.5%) live in poverty in Canada.

Good public policy matters and has been effective in reducing child poverty. Indeed, without government transfers over 2 million children would live in poverty. However, to date, policy inputs against poverty have been small and poverty reduction too limited. History has shown us that no one-off policy change can ensure no child goes hungry, is denied opportunity or spared the indignity of poverty. Eradicating poverty must include weeding out the multitude of barriers that families face.

Campaign 2000 strongly welcomes the boost in family incomes from the new Canada Child Benefit (CCB); we also call for immediate indexation to ensure families receive its full impact. The federal government has committed to reduce child poverty by 40% by 2017, and its Fall Economic Statement said “going forward the government will closely monitor the number of children living in poverty.”¹ With government taking the first steps toward developing a Canadian Poverty Reduction Strategy (C-PRS), we see real potential to eradicate the scourge of poverty affecting 4.9 million people today.² To be successful, the C-PRS must be a shared, cross-Canada priority with the Federal Government taking a substantial leadership role providing vision, taking accountability for progress and maintaining investment. The guiding targets and timelines must be bold, comprehensive and unrelenting. To do this, the objective of reducing and then eradicating poverty must guide social policy decision-making and budgetary priorities in the short and long term.

In order to meet its child poverty reduction target, the federal government must root out child and family poverty from every community in Canada by adopting a child and family poverty reduction lens on all spending, policy and program decisions. This report card provides a snapshot of child and family poverty today, outlines how poverty stalls children’s progress and potential and proposes policy solutions as a road map to guide eradication.

A historic commitment to a national anti-poverty plan can seed the type of action that generations of Canadians have been waiting for. After decades of instability suffered by families and broken promises to eliminate child poverty, families are anxious to lay new roots for their children. The roots of equal futures for all children lay in ensuring access to secure, gainful employment; livable incomes; affordable, high-quality, regulated childcare; nourishing food, affordable housing, education and training; acting on reconciliation and ensuring equitable opportunities for all children.

With nearly 1 in 5 children in poverty today, Canada’s work is nowhere near done.
RECOMMENDATIONS

Campaign 2000: End Child and Family 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, Indigenous 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, recognizing the particularities of how Quebec pursues social policy in the Canadian context.

• That the Canada Child Benefit’s design reduces the child poverty rate by 50% in 4 years. Government should implement indexation immediately and ensure access to the benefit for families living at higher rates of poverty, such as First Nations families on reserve and children of immigrants and refugees.

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

• A plan to prevent, reduce and eradicate child and family poverty in Indigenous communities developed in conjunction with Indigenous organizations. Comply with the rulings of the Canadian Human Rights Tribunal by providing adequate/fair funding for child welfare services on reserve and ensure the application of Jordan’s Principle extends beyond cases of disabilities and short-term illnesses.

• 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. This will require the development of minimum standards for income benefits and social services funded through the Transfer, which allow necessary flexibility to provinces and territories. As part of this, ensure children in lone parent families receiving income assistance retain child support payments currently deducted from their incomes and ensure child-related Employment Insurance (EI) benefits are not deducted from provincial income or disability benefits.

• Enhancement of EI 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.

• Enacting proactive strategies, including improved 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.

• An Early Child Education and Care (ECEC) program for Canada 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 and supported by long term, sustained funding.

• An increase of the maternity and parental leave benefit level to 70% of employment income and a reduction of qualifying hours to 300 over the best 12 weeks of the last 12 months of work. All new parents (adoptive, student, trainee, self-employed parents, part-time and casual workers) should be included, and a secondary caregiver benefit should be developed to address gender disparities in care work within households.

• The national housing strategy be comprehensive in reflecting the needs of community members in a manner that accommodates municipalities, provinces, territories, the non-profit and the private sectors where appropriate. Affordable housing targets must be set for specific populations, including low income families and others with high levels of core housing need. The strategy should be paired with a long-term funding commitment to create and retain existing social housing and to support capital repairs.

• The creation of a distinct Indigenous Housing Strategy that includes funding to urban and rural housing initiatives, increases funding for Indigenous support and service organizations and contributes to meeting the needs of children and families as outlined in the Truth and Reconciliation Commission’s 94 Calls to Action.

• Growing income inequality be addressed by continuing to restore fairness to the personal income taxation system and re-introducing the principle of taxation based on ability to pay.
CANADA MUST ACT TO ADDRESS ITS CHRONIC CHILD POVERTY PROBLEM

Today, nearly 1 in 5 children live in poverty with their families (LIM-AT). Shamefully, 60% of status First Nations children on reserve live in poverty.

Parliamentarians committed to eliminate poverty among children in 1989 (LIM-AT 15.8%) by the year 2000, in 2009 for all persons and again among children in 2015. The persistence of high rates of child poverty across the provinces and territories since 1989 is evidence of Canada’s failure to prioritize children’s health, well-being and lifetime opportunities. That child poverty continues disproportionately to affect families who are marginalized bolsters the case for immediate action.

A full eight years after the great recession began, slight declines in Canada’s child poverty rate show that families are still only scraping by. Given the two-year data lag, Canada’s latest child poverty data is unlikely to capture the full impact of the late 2014’s oil price crash in Alberta and its effects on children and families. Children’s lives are too valuable to be subject to market forces – unlike the economy, their growth and development does not slow. Canada needs to catch up for 27 lost years as child poverty is still well above 1989 levels.

MEASURING POVERTY

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 low income threshold, debates about measuring poverty overtake the urgent need for solutions.

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) unless otherwise indicated. The T1FF includes personal income tax and Canada Child Tax Benefit (CCTB) records. Child benefit records improve the coverage of children in the T1FF data set in comparison with official population estimates but it provides limited demographic information. Following the release of data from 2016’s Long-Form Census, Campaign 2000 will be able to report again on poverty rates among families who are Indigenous, racialized, immigrant, refugee and/or women-led, LGBTQ and impacted by disabilities, among other groups, who experience disproportionate levels of poverty due to historical and ongoing discrimination.

Campaign 2000 welcomes the federal government’s recent discussion paper “Towards a Poverty Reduction Strategy” which seeks input on defining poverty, though we note that the paper appears to estimate the number of
people in poverty according to the LICO as calculated from the Canadian Income Survey. The LICO from this survey produces the lowest estimate of Canada’s child poverty rate of all three measures, at 8.5% (2014 After Tax). The measure has not been rebased since 1992 and the list of essential items needed by families does not include modern technology, increased average expenditures on food or transportation and private health expenditures as basic needs. In comparison, the child poverty rate derived from Tax Filer data is 18.5% (LIM-AT). It is based on a near census of the Canadian population due to Canada’s high rates of tax filing and is inclusive of reserves and children in institutional settings.

We recommend the Low Income Measure After Tax calculated from Tax Filer data as Canada’s official poverty line.

The LIM is a relative measure of poverty. It is a fixed percentage (50%) of median adjusted household income that takes household size into account and it is internationally comparable. It is most strongly related to health status and developmental outcomes. This official income 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 and disproportionate levels of poverty among marginalized groups.

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<th>Family Type</th>
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<td>30,301</td>
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<tr>
<td>Couple with two children</td>
<td>35,648</td>
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</tbody>
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*Includes parents/spouses, children 16 years of age and over and the first child in lone-parent families regardless of age.


TIME TO FILL THE POVERTY GAP

EVERY FAMILY DESERVES A LIVEABLE INCOME

Many low income families live far below the poverty line which is $24,954 for a lone parent family with one child. As Chart 4 indicates, the after-tax income of half of all low income families with 2 or fewer children is $9,200 or more below the LIM-AT. Among all low income families, couples with one child are in the deepest poverty with a median after-tax income $10,761 below the poverty line of $30,301.

In almost all provinces and territories low rates of income/social assistance, the income security program of last resort, contributes significantly to the depth of poverty. These incomes are inadequate in every Canadian jurisdiction, causing hunger, housing instability, stigmatization, discrimination, and poor health outcomes for adults and children alike. Generally, Canadians are forced to rely on income assistance due to dismal employment options, disability, personal or family illness and family violence. Improving incomes for Canadians on income assistance must be part of a renewed approach to the social safety net that includes renewal of the Canada Social Transfer, including setting standards for adequate social assistance benefits.
IMPACT OF GOVERNMENT TRANSFERS

Government transfers are critical and effective investments that reduce and prevent poverty among children and families. Without investments in programs like the HST/GST credit, Canada Child Tax Benefit (now the CCB) the Working Income Tax Benefit and Employment Insurance, over 712,810 more children would live in poverty today.18

OECD’s international comparison of public spending on family benefits19 shows that Canada’s support for families (1.18% of GDP) is below the OECD average (2.14% of GDP). Even more troubling is that despite high levels of child and family poverty in Canada, since 2009 spending on family benefits declined by 10%.20 Canada cannot justify below average investment.

Canada must immediately move from laggard to leader. Being a world leader in fighting child poverty requires increasing investments in childcare, more generous parental leaves and fully indexing the Canada Child Benefit to inflation immediately.
ERADICATING CHILD POVERTY KEY TO RECONCILIATION

Canada’s discriminatory policies have led to greater failed and failing interventions into the lives of indigenous families than the residential schools and serious changes must be undertaken.

- The Honourable Justice Murray Sinclair, Senator and Chair of Truth and Reconciliation Commission of Canada. 21

Reconciliation is about not saying sorry twice.

- Dr. Cindy Blackstock 22

Over the last year, eradicating shameful levels of poverty among Indigenous children and families was at the forefront of realizing the national commitment to reconciliation. After an embattled nine year human rights case led by the First Nations Child and Family Caring Society, the Canadian Human Rights Tribunal ruled that the Government of Canada (Indigenous and Northern Affairs Canada, INAC) racially discriminates against 163,000 First Nations children.23

The January 26, 2016 ruling of racial discrimination was based on government knowingly maintaining inequitable funding and provision of child welfare services on reserve and on INAC’s narrow definition of Jordan’s Principle, which meant it was not implemented to its full extent to ensure equitable access to government services for First Nations children.24 INAC was ordered to act immediately to stop this discrimination. The tribunal called on the Government in April and September 2016 to explain 1) the slow progress in compliance, and 2) how 2016 Budget investments responded to the tribunal’s decisions.25

After months of advocacy, on November 1st all parties in the House of Commons unanimously supported an NDP motion to comply with the Tribunal’s decision with an immediate new investment of $155 million for First Nations child welfare services.26 The motion also called for a future funding plan, full implementation of Jordan’s Principle and making public all documents related to the overhauls of child welfare and Jordan’s Principle.27 Child welfare reform and implementation of Jordan’s Principle are the top two Calls to Action from Canada’s Truth and Reconciliation Commission. Expectations for government to act are high, especially given its commitment to implement all of the Commission’s 94 Calls to Action.

The launch of the independent inquiry into missing and murdered Indigenous women and girls and Budget 2016’s commitment to lift the 2% funding cap on First Nations programs and invest in child welfare, schools, employment programs, early learning and child care and housing, among other items, are also steps in the right direction. However, with the bulk of spending on child welfare and other items slated for 2020-21, Indigenous children will continue to suffer without immediate action.

Embedded systemic racism, ongoing colonialism and intergenerational trauma impoverish and disadvantage too many Indigenous children and families today. The facts are stark and grim, demanding immediate action.

There are more children in child welfare care today than residential school populations at the height of the residential schools era. From 1989 to 2012, Indigenous children spent 66 million nights or 187,000 hours of their lives in foster care away from their families.28 Suicide rates among First Nations youth are 5 to 7 times higher than non-Indigenous youth and the Inuit youth suicide rate is 11 times the national average.29 Over-crowded housing on reserves with poor quality ventilation continues to lead to disproportionate levels of Tuberculosis.30 Today, there are 132 boil water advisories in 89 First Nations communities in Canada (excluding British Columbia).31

There is simply too much evidence of Canada’s legacy of racism, colonialism and neglect to delay concerted action any longer.
POVERTY DISCRIMINATES AGAINST MARGINALIZED CHILDREN

The Prime Minister recently made headlines by stating that “poverty is sexist.” Indeed, senior women, working age women and girls are affected by poverty in disproportionate numbers in Canada.

This is what Sexism Looks Like: Women working full time full year are stuck earning 72% of men’s average earnings.32 Affordable, quality child care has been linked to women’s equality since the 1970s, yet there are only enough regulated spaces available for 24% of children 0-5 while over 70% have working mothers. Epidemic family violence in Canada impacts women disproportionately: 80% of intimate partner violence is against women, and Indigenous women are twice as likely to be harmed.33 About 1 in 3 (34%) of women in Canada experience sexual assault and women are 27.3% of the homeless population.34

Canada has a 10-year void in reliable comprehensive data regarding poverty among marginalized groups suffering the effects of historical disadvantage and inequities, given that the last long form census took place in 2006. Such inequities result in higher poverty rates among children in families who are marginalized. Indeed, poverty is not only sexist, but also persistently racist, colonial, ablest, homophobic and xenophobic.

Among the over 80 federal consultations in progress or recently concluded, we note the topics of poverty, gender-based violence, immigration, accessibility, housing and parental and caregiving leave among the list. These consultations must be followed by action to eradicate the well-documented inequities long plaguing marginalized children and families.

Campaign 2000 urges the federal government to:

- Apply employment equity criteria to jobs created through federal infrastructure investments so that parents who are members of groups experiencing discrimination have access to the opportunities.
- Fast-track the introduction of legislation compelling federally-regulated industries to give women equal pay for equal work. Delaying legislation until 2018 negatively affects 874,000 employees.35
- Ensure social assistance, funded through the Canada Social Transfer, lifts recipients out of poverty and eliminates food insecurity among families receiving income assistance.36
- Ensure Federal Accessibility Legislation results in an Act with sufficient power to remedy barriers in the areas of most need as identified by people with disabilities.37
- Revitalize Canada’s Action Plan Against Racism (CAPAR) with community input and respond to growing concerns about racial profiling plaguing Black, Indigenous and racialized families.

IMPROVING INCOMES FOR FAMILIES WITH CHILDREN

MAXIMIZING THE CANADA CHILD BENEFIT TO REDUCE POVERTY

Certainly, the bolstered, tax-free, progressively targeted Canada Child Benefit (CCB) is a very significant tool in Canada’s poverty reduction arsenal. Government states that the CCB will reduce child poverty by 40% from 2014 to 2017, according to the LICO-AT.38 This target and timeline for child poverty reduction is a firm step in the right direction and we suggest government track progress using the LIM-AT. Since the CCB was proposed in May 2015, Campaign 2000 recognized its strong poverty reduction potential. Immediately, we called for the federal government to ensure that the CCB would not be subject to a claw back for families on income/social assistance who live in poverty due to already-low benefit rates. We raised this alarm because the agreements for the National Child Benefit Supplement specifically allowed for claw backs from social assistance incomes.

In July 2016, our national network of partners was pleased to receive confirmation from each province and territory that no portion of the CCB would be clawed back from children in families receiving income assistance. Our work is not done. In order to further maximize the CCB’s poverty reduction potential, the federal government must:

- Immediately fully index the CCB to inflation to help protect its purchasing power. Families have faced an 11.7% increase in the price of fresh vegetables this year, while the high prices of food in the North and remote First Nations remains a serious daily health struggle. Government clearly agrees with the principle of indexation so it should not delay cost of living increases to vulnerable families.
- Increase the base amount of the benefit and introduce a more progressive benefit reduction rate.
- Re-examine eligibility for the CCB to ensure parent/s’ immigration status is not a barrier. Canadian citizens, permanent residents, protected persons, and temporary residents for at least 18
months are eligible for the CCB. This excludes people in Canada without regularized status who have children, including those who are failed refugee claimants who have applied for humanitarian and compassionate consideration and sponsored spouses with conditional permanent residence who have separated from the sponsoring spouse; all of whom may well be filing tax returns.

- Proactively work to ensure uptake of the CCB on reserve as Indigenous people have the highest birth rates in the country and have disproportionately high poverty rates. Tax filing rates on reserve are estimated at 50%, given that the requirement to do so is dependent on source of income.

UPHOLDING CHILDREN’S RIGHT TO CHILD SUPPORT

Currently, rules within each provincial and territorial social/income assistance system differ with respect to the treatment of child support/maintenance payments. According to the Department of Justice’s child support website, “Children need financial support from their parents – and they have a legal right to it.” However, in nine jurisdictions – Alberta, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut – child support payments are deducted from lone-parent families’ income assistance payments, often deemed as “unearned income.”

By contrast, in British Columbia, Ontario and Northwest Territories child support is exempted from the calculation of income benefits and families can keep it to meet their children’s needs. In Quebec $100/month/child is exempted income and Alberta exempts support for recipients of its Assured Income for the Severely Handicapped (AISH) program.

In September 2015, British Columbia was the first province to implement a 100% exemption of child support from assistance income, while Ontario and Northwest Territories announced 100% exemptions in summer 2016. In British Columbia, the exemption provided about $13 million to families, with 5,400 children benefitting in the first full year after the policy change. Ontario frames its 100% exemption as a child poverty-reduction measure and projects that the exemption will put more than $75 million a year more into the hands of families receiving social assistance when it starts in 2017, partially because “evidence from other jurisdictions shows that parents who owe child support are more likely to pay it if they know that their children will directly benefit from all of the money.” The Northwest Territories repealed its definition of child maintenance payments as income to be considered in the eligibility means test in its updated Income Assistance Policy Manual.

Campaign 2000 calls on the federal government to examine how this regional variation in the treatment of child support as unearned income contributes to child poverty. The federal government must exercise leadership in collaboration with the provinces and territories to ensure children in families in receipt of income assistance are not discriminated against, and made worse off, due to their family’s source of income.

A PRINCIPLED APPROACH TO BASIC INCOME

Renewed interest has thrust Basic Income (BI) into the spotlight of the media, policy debates and government agendas, with Ontario undertaking a pilot study and politicians across Canada expressing interest. BI is essentially an unconditional regular government cash transfer to individuals. Debates abound about BI’s role in the fight against poverty and what level of income would be adequate and cost effective to deliver.

Campaign 2000 believes that like all income security programs, BI must be designed to eradicate poverty and contribute to reducing income inequality by raising the income floor. BI is not a silver bullet against poverty. Rather, a BI must complement a strong program of public and social services, a well-developed strategy to create quality jobs, and robust employment standards that support families to escape poverty’s multiple dimensions.
WORK IS NOT WORKING FOR FAMILIES

Precarious work is characterized by uncertainty, insecurity, and a lack of control. Workers have decreased employment security in low wage, often part-time work with little or no access to employer health and pension benefits and reduced continuity as they shuffle between contracts.

Precarious work leads to precarious lives for children whose families are on the brink of economic collapse. Unfortunately, the federal government approaches Canada’s “job churn” as an inevitable reality. This approach simply will not do if Canada is serious about reducing child poverty. The federal government must implement public policy measures to address the proliferation of precarious work that leaves too many families working full-time, full-year in poverty.

Precarious work makes it difficult for parents to spend time with their children, afford and schedule childcare and budget for the household. The content of jobs is often risky, stressful, and with little opportunity for learning and advancement. For low income parents, a dangerous spill-over effect of precarious work may be insufficient hours to qualify for Employment Insurance, including maternity and parental leave. Currently, 56% of mothers with incomes below $30,000/year do not qualify for maternity/parental benefits in Canada, excluding Quebec, compared with 14.6% of mothers in the same income bracket in Quebec.

Campaign 2000 recognizes recent positive steps by government, including the reduction of the number of hours needed to qualify for EI from 910 to between 420-700 hours over the previous 52 weeks and the forthcoming one-week waiting period for EI, reduced from two weeks. We also note the importance of recent negotiations with the provinces and territories to improve retirement incomes through the Canada Pension Plan. However, with children comprising 36% of food bank recipients and 1 in 6 households who access food banks having been currently, or recently, employed, working parents need greater economic security today. With the national EI recipient rate at 41.4%, families who do not qualify for benefits may be forced to turn to social assistance or to take unsafe, unstable, low-wage work that perpetuates poverty.

Uprooting child and family poverty requires quality employment opportunities and accessible and adequate income security programs and services. We call on the government to:

- Adopt an agenda to address under-employment and enhance equity through infrastructure funding with obligations in hiring and pre-apprenticeship training for marginalized groups; a Green Jobs Strategy to build skills for green industries; Community Benefit Agreements to provide for local jobs and community economic development; robust social infrastructure, particularly national child care spending that includes capital funding and infant care.
- Implement an indexed federal minimum wage of $15/hour for workers in federally regulated industries.
- Implement an enhanced medicare program that includes pharmacare, dentistry and various rehabilitation services given that many workers do not have workplace benefits.
- Act on the election platform commitment to review the EI system to determine what changes are needed to ensure precariously and temporarily employed workers have access to benefits.
- Begin improving EI to stabilize families and communities by increasing benefits so they provide at least 60% of earnings using workers’ 12 best weeks over the previous year and reducing regional EI coverage disparities by establishing a 360 hour entry requirement to establish a basic claim anywhere in the country and by extending benefit duration according to a formula based on an average unemployment rate of 6% or more over the previous 12 month period. This will improve access to EI in labour markets with chronically high unemployment.
For families welcoming newborns or adopted children, income is a critical social determinant of health influencing their child’s early development and life-long well-being. We share community and labour groups’ concern that the recent consultations on parental and caregiving leaves were restricted to very narrow options. Working families need realistic options for maternity and parental leaves that respond to current realities and contribute to social equity and poverty reduction. We recommend that all EI special benefits applicants require the lesser of 300 hours or $2,000 income to qualify. The benefit rate should be set to at least 70% over the entire benefit period and there should be a minimum EI benefit for low wage workers.

UNIVERSAL, HIGH QUALITY, COMPREHENSIVE EARLY CHILDHOOD EDUCATION AND CARE: FUNDAMENTAL TO ERADICATING CHILD POVERTY

Campaign 2000 has always included universally accessible, high quality childcare as part of its comprehensive plan to eradicate child poverty. Envisioned as early childhood education and care (ECEC), a national childcare program is critical for supporting 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 as well as advancing healthy child development and well-being.

Although a national childcare program to serve all families has been recommended since the 1970s, Canada is one of only a few wealthy countries that still lacks a plan. As a result, Canadian families continue to rely on a patchwork market funded mostly by parent fees. In 2016 Canadian ECEC not only fails to meet the needs of the majority of children and families, but is inequitably organized, unevenly distributed and underfunded everywhere across Canada.

The issues that plague families on a daily basis are substantively the same across Canada, with low and modest income and Indigenous families especially poorly served.

- The supply of spaces remains very limited, covering fewer than 1/4 of all children aged 0-5 years overall;
- Quality indicators such as staff training and wages tell us that many services fall short of the high quality shown to be so critical for child development, especially for lower income children. Poorer-quality for-profit services continue to grow, while many families fall back on unregulated care with no public health and safety oversight;
- Regulated childcare remains highly unaffordable for low and middle income families even if they can secure a space. A 2016 Toronto study found that 75% of families cannot afford childcare while on a Manitoba survey, 75% said that fees are too high for parents. Fee subsidy systems fail the very families they are intended to support, with long wait lists, antiquated eligibility levels and/or hefty surcharges keeping families out.
- At the same time, mothers’ employment rates have continued to rise to 70% for those whose youngest child is 0-2. The rates are 77% with 3-5 year olds and 82% with 6–15 year olds.

MEETING COMMITMENTS

A 2015 election commitment promised to develop a National Early Learning and Childcare Framework as a “first step towards delivering affordable, high-quality, flexible and fully inclusive child care.” Significantly, the Framework is to be based on “research, evidence-based policy, and best practices in the delivery of early learning and child care.”

A commitment to design a national policy framework based on the best available evidence is welcomed by
Campaign 2000, as is the specific attention to ECEC for Indigenous communities. To support meeting this commitment, Campaign 2000 has been one of the leaders in developing the Shared Framework for building an early childhood education and care system for all, designed as a blueprint to guide federal/provincial/territorial/Indigenous development of a National Framework. There is substantial evidence that the Shared Framework's proposed publicly-funded childcare system based on the principles of universality, high quality and comprehensiveness is the best way to move ahead.

Campaign 2000 believes that the federal government must ensure that the National Framework and common frameworks 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—and that the aim of the policy needs to be expanding high quality affordable services over time so as to include all families.

Affordable high quality childcare requires substantial long-term funding going forward. Thus, we are concerned about the current approach of a 10 year financial commitment in the Social Development Fund. This puts childcare in competition with other essential family supports such as housing. To build a childcare system to support families in the 21st century requires a clear commitment to substantial sustained earmarked public funding, with the international benchmark of "at least 1% of GDP for ECEC for children 0-5 years" as a long-term goal.

**YOUTH ARE HUNGRY FOR CHANGE**

The changing Canadian economic and social context leaves many Canadian youth facing uncertain future prospects.

Young people have raised concerns about their lack of job security, workplace pensions and health benefits. They suffer the lingering impact of the 2008 recession with an unemployment rate of 12.8%. Improving job security is urgent for youth, who struggle for a fraction of some baby boomers' economic security while competing for jobs with others; older workers form the fastest growing segment of workers in Canada, with employment growing by 128,000 jobs since last year. For youth aged 15-24, employment increased by 26,000 jobs in the same period with all gains in part-time work. Recent data show that 19.4% of youth work part-time for non-voluntary reasons and that since 1980, the percentage of youth working full-time has fallen from 76.4% to 52%.

In contrast, over the same period, core-age workers' (age 15-64) full-time employment fell from 89.7 to 88.1%. Canada ranks first in the OECD for post-secondary education (PSE) attainment and over 70% of new jobs here require PSE. Accounting for inflation, tuition fees alone are 160% higher today than they were in 1990 causing many of today's students to carry heavy debt burdens that average $26,000 among undergraduates and $41,000 among graduates with a doctorate. Today, over half of young workers are employed in sales and services and many are unable to land 'career jobs,' and, as a result, they carry education-related debt well into adulthood. Systemic discrimination further negatively impacts specific youth. Young women earn only 71% of young men's weekly incomes and are more likely to work part-time and hold multiple jobs. At 18.8%, the Indigenous youth unemployment rate is 5.8 percentage points higher than the overall rate.

An increase in precarious work and young workers holding multiple jobs does not provide the income or economic security for workers who would otherwise lay long-term roots in a community, rent or buy their own home or start a family. In contrast, many youth are forced to delay economic independence from their parents while others rely on emergency services like food banks.

With the Prime Minister also Minister of Youth, Canada has an important opportunity to prioritize and address the poverty and economic insecurity limiting young people's potential. The founding of the Prime Minister's Youth Council is promising, and we look forward to information about the issues it will tackle and the actions government will take to improve financial prospects and opportunities for diverse youth in Canada.

Youth are clearly hungry for change from the status quo. We recommend:
- Prioritizing youth job creation through infrastructure spending and focusing on apprenticeships and jobs with decent pay and opportunities for advancement.
Leading by example by instituting a $15/hour federal minimum wage for workers regardless of age.

- Age appropriate housing and supports delivered through a targeted Housing First for Youth framework to eliminate homelessness and housing instability.67

- Creating universal access to PSE by eliminating tuition fees. Ontario and New Brunswick’s recent tuition-relief programs targeting low and modest income students offer examples that the Federal Government can build upon.68

HOUSING FOR ALL

Historically, individuals experiencing homelessness in Canada were older, single men. The homelessness crisis we see today is much more diverse. More women, families and youth are experiencing homelessness than in the past. State of Homelessness in Canada, 2016

A safe and stable home is foundational to children’s well-being and healthy development.69 Far too many low income families in Canada struggle to find and maintain housing due to a dearth of affordable, safe and suitable options. Despite parents’ best efforts, stability is elusive as each rent payment evokes anxiety triggering mental health problems, and disrepair and mould contribute to chronic physical health issues. Mothers may remain in unsafe relationships because a single income will not cover rent and food for herself and her children.70

Rather than considerations of schools, safe play spaces, transit, work or grocery stores, affordability alone drives families’ housing choices, forcing many to compromise safety, adequate living space and decent conditions.71 Between 2001 and 2011, 1.6 million (12.5%) of Canadian households were in core housing need,72 meaning housing was not affordable, in a state of inadequate repair or unsuitable for the family’s size and composition.73 Renter households comprised 26.4% of those in core housing need.74 Falling behind on rent is strongly correlated with a “critical risk of homelessness;” while a history of evictions makes it “almost impossible” for families to find new housing.75 We note that shelter stays for families with children are twice as long as for individuals, and that of 35,000 people who occupy shelters on any given night, 1 in 7 is a child.76 Of Canada’s homeless population, 27.3% are women and 18.7% are youth, while Indigenous people comprise 28-34% of the shelter population.77

The federal government’s renewed leadership on the housing front is crucial to addressing child and family housing precarity, inadequacy and homelessness. Budget 2016’s housing investments, including $2.3 billion in affordable housing over two years, doubling funding for the Affordable Housing Initiative and short-term funding for social housing operating agreements expiring in March 2018,78 are welcomed first steps. We anticipate the development of the National Housing Strategy and urge strong integration with the Canadian Poverty Reduction Strategy.

Government must invest in social housing to reduce homelessness, precarity and poverty. Minimally, this must involve:

- Committing to long-term funding to address the looming expiry of federal operating agreements in rent geared to income housing;
- Modifying the mandate of the Affordable Housing Initiative to increase and maintain supply and setting requirements for the number of new rental units built annually through the Investment in Affordable Housing Fund;
- Exploring a portable rent supplement program for tenants in private market units, that is designed with input from the housing sector, including tenants;
- Creating a distinct Indigenous Housing Strategy that includes funding to urban and rural housing initiatives and increases funding for Indigenous support and service organizations. Wherever possible, housing should be built and managed by Indigenous housing organizations;
- Adopting a gender-lens on housing and homelessness to recognize women’s unique needs and that they constitute the majority of homeless single parents;79
- Developing a targeted youth homelessness strategy focused on housing and supports that recognizes the diversity of youth, including the 20% of homeless youth who are LGBTQ2S;80
- Creating accessible and supportive housing for people living with physical and developmental disabilities or mental health or addictions that includes building on Housing First.
FOOD FOR THOUGHT AND ACTION

It may be hard to comprehend that in Canada, a highly industrialized affluent nation, hunger and a lack of food still plague low-income families with children, Indigenous people, lone-parent families and Northern communities in greater numbers.

A recent study confirms that many parents cannot afford nutritious meals for children and are forced to visit food banks at the end of each month to put food on the table; in extreme cases children may go hungry and even skip meals. Sad!y, such is the reality facing children in “severely food insecure” households across Canada. In addition to school children, growing numbers of university students struggle to choose between paying for healthy food or paying for rent, tuition and textbooks. In addition:

- One in six children under the age of 18 lives in a household that experienced food insecurity.
- Lone parent families headed by women were the most vulnerable, with 33.5% being “food insecure.”
- In March, 2016, approximately 307,000 children used food banks in Canada, representing 4.4% of the total child population.

Despite years of public calls to address hunger, it remains a serious health problem with high rates of food insecurity persisting across most provinces and territories. Food insecurity is now at epidemic levels in Nunavut, affecting almost half of the households in the territory. Without tackling it, the impact on individual health and well-being will be long lasting and the toll on society will be devastating.

FOOD BANK USE IS RISING; 36% OF USERS ARE CHILDREN IN 2016

Food Banks Canada’s annual, in-depth examination of food bank use highlights that poverty is a key driver of food insecurity, leading to steady increases in food bank visits nation-wide since 1999. In March 2016 alone, 863,492 people were helped by food banks across Canada. This represents an increase of 1.3% over the same period last year and is 28% higher than in 2008.

Soaring produce prices have recently dominated the news. A consumer price index report by Statistics Canada shows that fresh vegetable costs rose 11.7% and fresh fruit prices increased 11% year-over-year as of April 2016, well above the rate of inflation. An Angus Reid poll conducted in April this year revealed that 57% of people making less than $50,000 were finding it tough to afford food, while 54% of those making over $100,000 said the same. Among those being hit the hardest are low-income households, people with less education and young people. The C-PRS should include measures to combat hunger and food insecurity, including immediate, annual indexation of the Canada Child Benefit, to ease Canadians’ anxiety and disappointment when it comes time to set the table.

INCOME INEQUALITY HAS INTERGENERATIONAL IMPACTS

Income inequality has dramatic impacts on the lives of Canadian children from pre-school through post-secondary education. Canada bears numerous, expensive health and social consequences of income inequality that strain our health, education and social service sectors and economy while threatening social cohesion overall.

The contrast in income growth from 1989-2014 between families in the lowest, middle and highest deciles is staggering. The average income for those in the highest decile grew by over $80,000, while average incomes in the lowest decile grew by only $4,200 (2014 constant dollars). Overall, the highest income decile holds 26.7% of total income while the bottom decile holds just 2.3%. The upper income limit in the lowest decile is $34,200 while there is no ceiling on the upper income limit in the highest decile. Canada is in the bottom half of OECD countries for its income inequality, ranking 24/41. Furthermore, children in families who have the lowest incomes have family incomes 53 percent lower than the average child.

Higher rates of income inequality in Canada have been reported for racialized and Indigenous peoples, people living with disabilities, single parents and people living alone. Women are also disproportionately impacted. More action is needed to address income inequality negatively impacting children and families. The progressively targeted CCB is a strong step forward, but the personal taxation system continues to be too regressive.
The recent ‘middle class tax cut’ (which targets those who earn between $45,282 and $90,563) and increases taxes on the top 1% (those who earn above $200,000/year) has done little to alleviate income inequality. It does not provide any benefit to the two-thirds of Canadian tax filers who earn less than $45,000 per year and the top 10% of earners receive half the benefit from this tax cut, as they also receive tax cuts. Government must restore progressivity throughout the personal income taxation system to increase its fiscal capacity and help conquer the growing divide between the rich and the rest.

**CANADA MUST BE A WORLD LEADER IN EFFORTS TO REDUCE INEQUALITY FOR CHILDREN**

Canada continues to lag behind on the world stage when it comes to child well-being and inequality. Child poverty is closely linked to income inequality experienced by children. Inequality undermines the development of children’s potential, and those from disadvantaged families quickly fall behind in terms of early learning as well as physical and mental well-being.

Despite Canada’s wealth and pride in its international reputation for fairness and compassion, children in Canada do not enjoy equal opportunities. UNICEF’s April 2016 Innocenti Report Card surveyed 35 industrialized nations on inequalities in child well-being. It shows that Canada stands at a dismal 26th place out of 35 rich nations when compared across four key areas of child well-being: income, education, health and life satisfaction. Entitled Report Card 13: Fairness for Children, it focuses on measuring the depths of inequality in children’s well-being by examining the gaps between children at the bottom of society and those in the middle.

Alarmingly, Canada is among the countries with both the highest proportion of children reporting very low life satisfaction and the widest gap in life satisfaction. Lower life satisfaction is associated with poor mental health, low physical activity, weaker relationships with parents and peers, and wider inequality in family affluence. Wilkinson and Pickett demonstrate that high income inequality at the national level is associated with conflictual social relations, elevated rates of mental health problems, decreased physical health status, increased rates of obesity, increased incarceration rates, lower educational attainment, less inter-generational mobility, and higher rates of teenage pregnancy.
Debates about income and poverty in Canada may overlook the real impacts on children. Children’s experience of inequality is often more acute and its impact more significant. Ample research proves that affluent nations with wide inequality tend to have poorer child health, worse child life satisfaction and fewer children achieving to their maximum potential in education.\textsuperscript{98} Inequality also limits the potential of all children broadly – not just those who fall farthest behind. Canada needs to take action in safeguarding the rights of our children. The United Nations’ Convention on the Rights of the Child, ratified 25 years ago by Canada, is a reminder of our collective “obligation to ensure to the maximum extent possible the survival and development of the child.”\textsuperscript{99}

ENDNOTES

\begin{enumerate}
\item Statistics Canada. Table 111-0015 - Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual. Low Income Measure (After-Tax) 2014 year.
\item 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 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.
\item 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.
\item Statistics Canada. (2016). Table 111-0015 - Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual, CANSIM 2014.
\item Statistics Canada data on low income always have a 2-year time lag.
\item 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.
\item Throughout this paper, we will refer to groups with disproportionate levels of poverty as marginalized groups.
\item Statistics Canada. Table 206-0041 - Low income statistics by age, sex and economic family type, Canada, provinces and selected census metropolitan areas (CMAs), annual, CANSIM.
\item 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 2016)
\item (Statistics Canada data reference #16060). Postal Code Validation Disclaimer: Statistics Canada makes no representation or warranty as to, or validation of, the accuracy of any Postal Code OM data.
\item Family benefits include child related cash transfers, family services such as childcare and financial support available for families through the tax system. For more detail visit: https://data.oecd.org/socialexp/family-benefits-public-spending.htm
\item Canadian Human Rights Tribunal (2016, April 26). First Nations Child and Family Caring Society of Canada et al. v. Attorney General of Canada (for the Minister
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of Indian and Northern Affairs Canada). Retrieved from: http://decisions.chrt-tcotp.gc.ca/chrt-tcotp/decisions/en/item/143741/index.do?r=AAAAQAeRmlyc3QgTmF0aW9ucyBjaGlsZCBhbmtQgZmFtaWx5AQ
25 Ibid.
27 Ibid.
29 Ibid.
40 Child support payments are not exempt from Alberta Works, but they are exempt from Alberta’s income support program for people with disabilities, AISH.
42 https://news.gov.bc.ca/stories/bc-exempts-child-support-for-families-on-assistance
49 The latest available data show that 40% of children in poverty have a parent working full time, full year. Statistics Canada (2011). SLID Master File, Custom Tabulation.
52 EI Working Group, Good Jobs for All Coalition. Personal Communication (2016 October 27).
53 Ibid.
60 Ibid.
61 Ibid.
63 Ibid.
65 Ibid.
77 Ibid.
80 Ibid. The term LGBTQ2S stands for lesbian, gay, bi-sexual, transgendered, queer and two spirited.
82 Ibid.
83 Ibid.
84 Ibid.
85 Ibid.
87 Ibid.
IN LOVING MEMORY OF MARVYN NOVICK

We are dedicating this year’s national Report Card to the fond memory of Marvyn Novick, who was a co-founder of Campaign 2000, a dear friend of the network and a great, forward-looking policy thinker/social activist who spent decades working to end child poverty.

Marvyn was a true visionary and pioneer. Marvyn dedicated his knowledge, his thinking and his efforts to develop the Campaign 2000 network and to work with Campaign 2000 partners across Canada. As the lead author of several Campaign 2000 policy discussion papers, he put forward many sound and truly remarkable policy proposals for Canada’s children and families, including the child benefit system that is one of the key pillars of social policy in Canada’s fight against child poverty. His endless work alongside Campaign 2000 and many other partners has influenced and shaped the newly integrated and redesigned national child benefit unveiled by the federal government in July this year.

Marvyn, may you rest in peace with the knowledge that you made life better for millions of children and their families. Your commitment to social justice remains an inspiration to all of us. (Photo credit: John Maclennan)
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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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