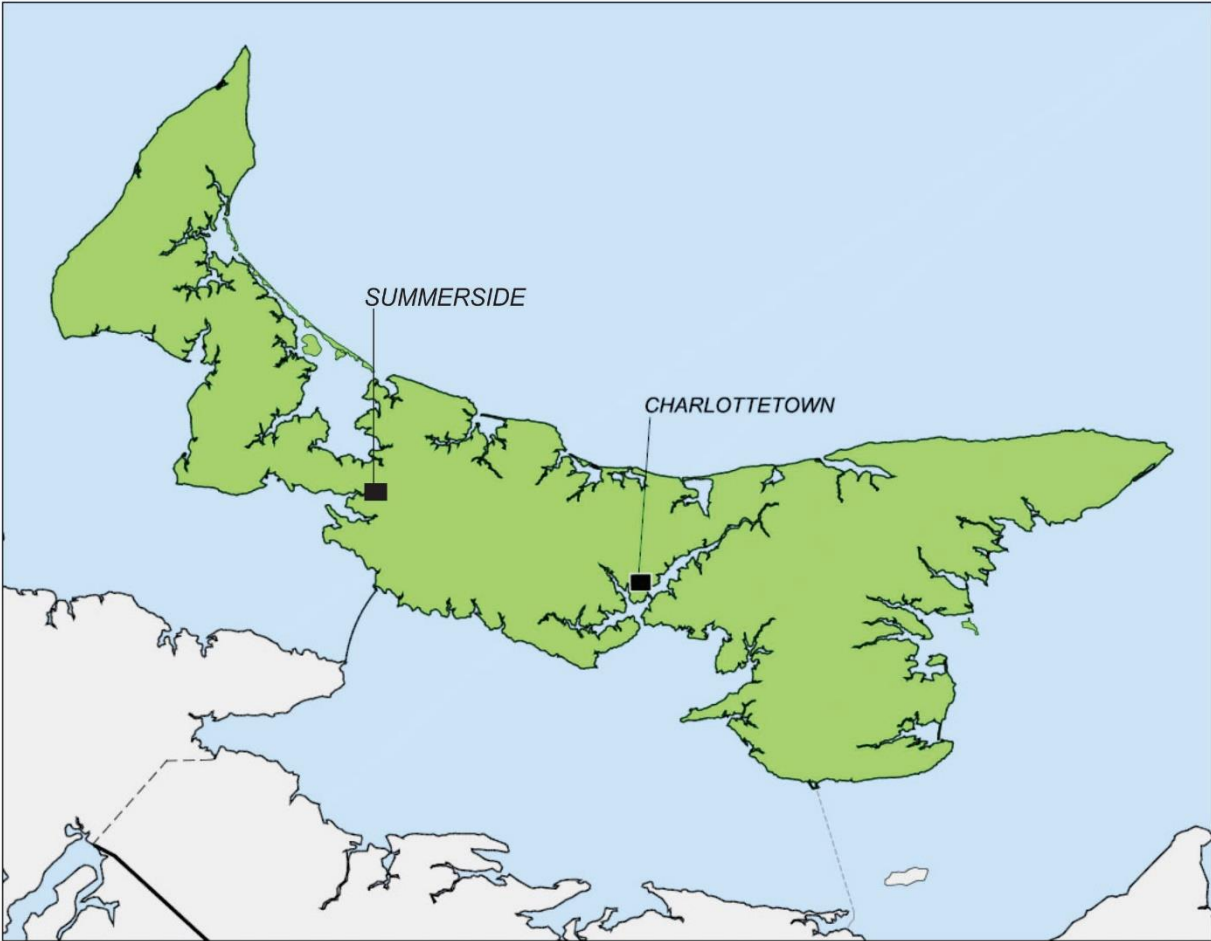


Lingering Too Long. But Why?

Report Card on
Child and Family Poverty on Prince Edward Island



Second Annual Report of Child and Family Poverty on
Prince Edward Island, November 24, 2015

by MacKillop Centre for Social Justice with PEI Coalition for a Poverty Eradication Strategy

Lingering too Long at What Cost, PEI Poverty Report Card 2015

Introduction

This is the second Child Poverty Report card for the province of Prince Edward Island. It is written in solidarity with the National Child Poverty Report Card by Campaign 2000, a national organization with 120 member groups across Canada. It was founded in 1991 out of concern for lack of government follow-up on child poverty following the all party House of Commons unanimous resolution in 1989 to eliminate child poverty in Canada by the year 2000. The promise was repeated in 2009 and 2015. These resolutions have not been honoured and today there are more Canadian children in poverty than ever before. Indigenous people suffer most from poverty. Canada's poor record is particularly disturbing given that this is one of the richest countries in the world. Lack of commitment both federally and provincially is truly astonishing. United Nations reports rank Canada 17th out of 29 OECD countries on the measure of child poverty. This must be puzzling to many. Sadly, the latest figures by Campaign 2000 staff and Committee members place Canada's child poverty rate at 19% for children under the age of 18 years, using the AT-LIM, one of three measures of poverty in Canada. This figure based on 2013 statistics, "is an unsettling reminder of Canada's child poverty epidemic" according to Campaign 2000.

In most cases children live in poverty because their parents' incomes are below the poverty line. Therefore the challenge to eliminate child poverty is also a challenge to eliminate all poverty.

Children's Rights

The high percentage of Canadian children in poverty is difficult to explain given that our governments have signed the many International Conventions dealing with the issue including the 1989 Convention on the Rights of the Child. These rights are also embedded in the Universal Declaration on Human Rights. Governments that signed have an obligation to ensure those rights at all levels, protecting children from the harm caused by poverty including; hunger, exploitation, lost opportunities such as lack of education and negative effects on health. Under these Covenants children are ensured an adequate standard of living. The rights of vulnerable groups including indigenous children and children with disabilities should be protected.

Lack of progress in eliminating poverty begs the question; do governments realize that Convention rights are obligations that governments and other authorities have signed onto and are obliged to honour? Why then are children's rights neglected? Governments also fail in the way they deliver programs that need to be covered as part of the Social Safety Net. Relying on favours delivered by chance or by passing off their responsibility to the public was never intended by the Covenants. Food banks and soup kitchens are prime examples of this practice and constitute a form of serious

neglect. Government obligations compliment the primary role of parents for their children's development and must ensure that children are a priority. Their actions and inactions have a major impact. Canada and the provinces have lingered far too long in translating Children's Convention rights into law to ensure equitable treatment.

Broken Promises

The MacKillop Centre for Social Justice and the PEI Coalition for a Poverty Eradication Strategy have been working for a number of years for a poverty eradication strategy for Prince Edward Island. This report card reminds the provincial government once again that it has failed to deliver on its promise. Lip service is not enough. When asking for this strategy at a well attended workshop on poverty on February 19, 2009, participants were serious that a Poverty Eradication Strategy must follow a certain format in order to be effective. No such format was followed in spite of many reminders, meetings, documents outlining the necessary steps and much solidarity with various local, regional and national groups committed to eradicating poverty in Canada.

Poverty eradication is not the mysterious challenge that it is made out to be. While poverty may appear to be complex for some, we have only to look at how many OECD countries have been much more successful than Canada, including poorer countries such as the Republic of Ireland. In Canada, examples from Newfoundland and Labrador as well as Quebec are encouraging. These provinces are already reaping the positive results of effective strategies. Fewer people are suffering from food insecurity and there are other quantifiable improvements. Both of these provinces follow an effective format for a poverty eradication strategy. The PEI Coalition continues to promote a strategy which contains:

- Clear legislated targets and timelines that are measured for progress by multiple and reliable concrete methods that demonstrate government's commitment to eradicate poverty. Accountability Mechanisms are necessary if a plan is to be effective and credible. Such measures ensure that the plan is carried out with effective action and measurable results.
- An effective strategy to deal with the numerous dimensions and causes of poverty and homelessness with the goal of increasing income through improved wages, social programs and greater assistance to people with disabilities
- A focus on populations that suffer most acutely from poverty. A PEI strategy would reflect Island and Canadian values including equality.

- A province-wide consultation to learn from the voices of those who are most affected and who have been waiting far too long for the kind of help and understanding that assures the dignity they deserve.

Investment in Poverty Elimination

The federal election results are reason to be hopeful that the new federal government will take the necessary positive steps to eliminate poverty. A memo from the Prime Minister to the federal Minister of Families, Children and Social Development instructs him to develop a Poverty Reduction Strategy with targets. This and similar instructions to related ministries are signs of hope that positive change may be coming. Provincial and federal governments need to focus on the human and financial costs of maintaining poverty. Direct investment in people bears fruit by alleviating human suffering such as hunger, uncertainty and illness. It restores human dignity, giving people hope and a greater purpose in life. It opens doors for greater acceptance, greater opportunity for people, enhanced self fulfillment and personal happiness. When people are able to realize their self worth they gain confidence and feel able to serve their community and contribute to society.

Governments need to combat the tremendous financial cost that poverty brings through increased health costs, lost productivity, lost tax revenue and to a lesser degree, costs of crime. Failure to protect the well-being of children is associated with increased risk across a wide range of later-life outcomes ranging from impaired cognitive development to lower levels of school achievement, reduced skills and expectations, lower productivity and earnings, higher rates of unemployment, increased dependence on social assistance and numerous social challenges. Every child's life is valuable. Their basic rights must be assured. Treating children as non-persons, by neglecting them, depriving them of their basic rights by default, ignoring them, and renegeing on their rights, condemns them by neglect to a shorter life-span and a greater chance of developing serious health problems and social ills. This is a grave offense. Children who suffer poverty have been out of sight and out of the minds of governments for far too long.

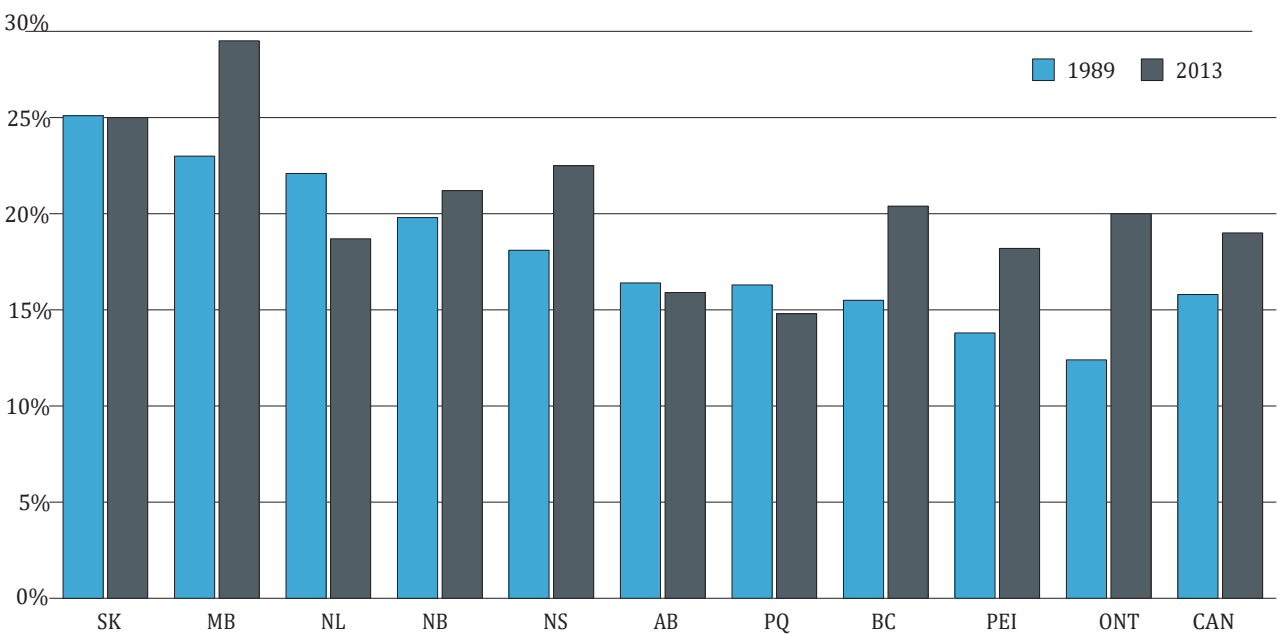
Measure

This report is based on the After-tax Low Income Measure (AT-LIM) for children under age 18; the most recognized measure of poverty internationally. The Market Basket Measure (MBM), another of the three measures used in Canada, is seen by many as the best measure for Atlantic

Canada but the AT-LIM is widely used by all participants in the Campaign 2000 report card and allows for a standard national comparison.

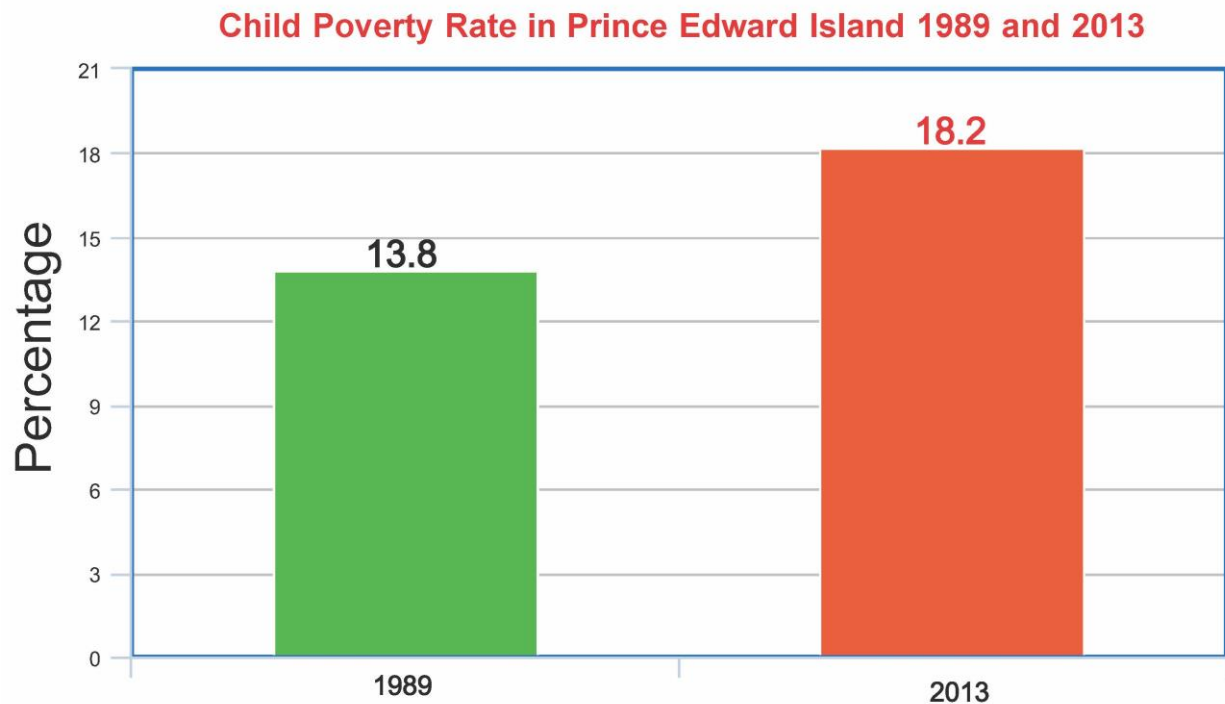
Poverty effects children, their parents, siblings, seniors, certain primary producers, people with disabilities, low wage workers, students, single people, indigenous people, new immigrants, part time and seasonal workers and sadly, many full time workers earning the minimum wage or slightly above it.

Figure 1 Child Poverty Rates, By Province, (AT-LIM), 1989 and 2013



The Prince Edward Island Scene

The child poverty rate on PEI in 1989 was 13.8 percent according to the AT-LIM. It increased to 18.2 percent, in 2013, a 31.9 percent increase.



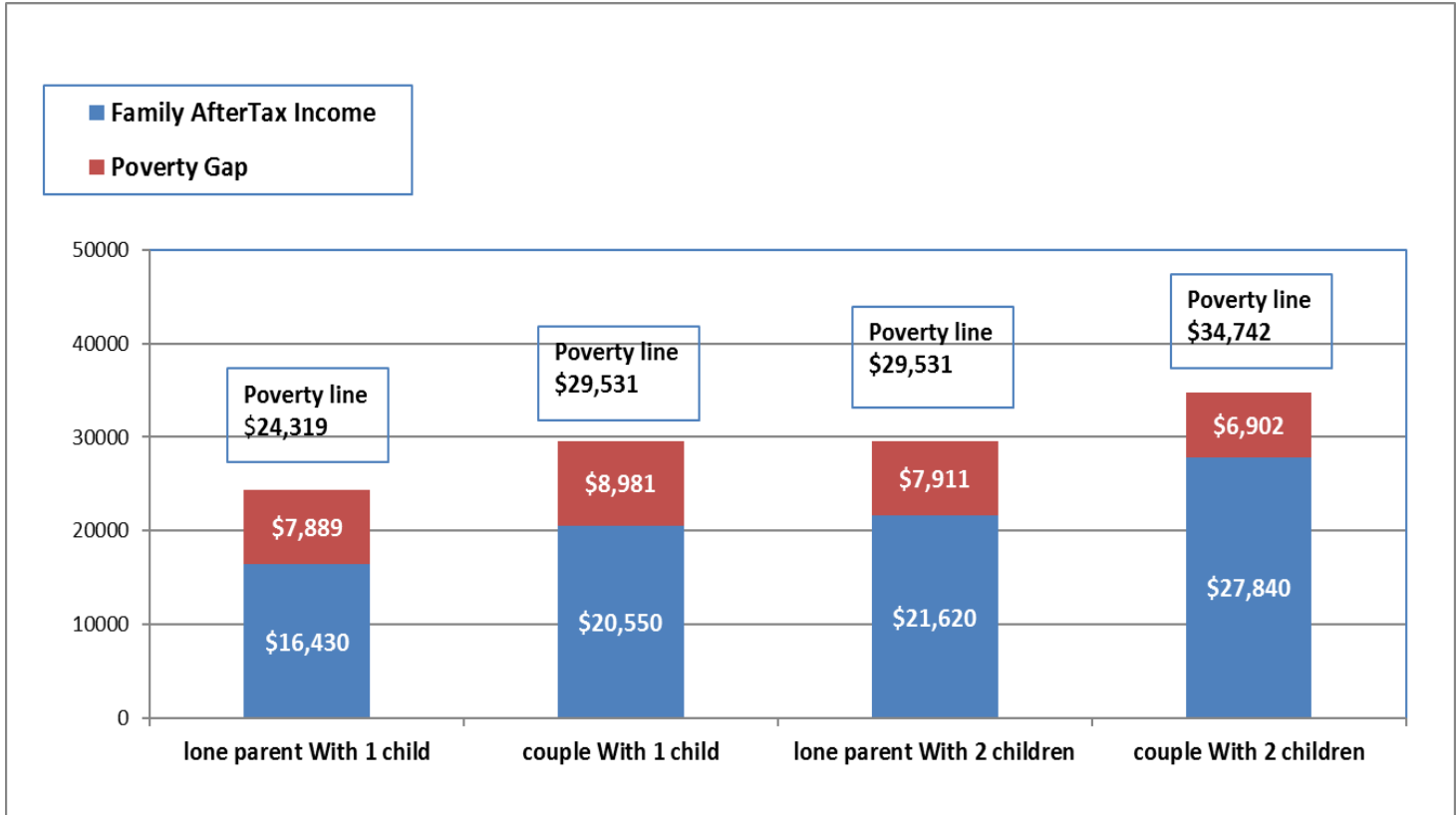
For children aged 6 and under on Prince Edward Island, the poverty rate in 1989 stood at 23.5 percent. It fell to 20.3 percent by 2000 and increased to 21.1 percent by 2013.

Children age 6 and under in Charlottetown had a poverty rate of 23.4 percent in 1989, falling to 21.1 percent in 2000 and to 20.8 percent in 2013. However, we will see later that the federal riding of Charlottetown has many more children in poverty.

The child poverty rate for children aged 6 and under in Summerside stood at 22.1 percent in 1989, falling to 20.2 in 2000 and rising to 23.5 percent in 2013.

The following breakdown of the depth of poverty for low income Islanders based on Median Income reveals the following:

Depth of Low Income for Poor Families in Prince Edward Island , 2013



Median After Tax Income on PEI for a lone parent family with 1 child is \$16,430. The national poverty line is \$24,319 leaving a gap of \$7,889. PEI has the worst record in all of Canada with 41.1 percent of lone parent families in poverty.

Median annual income for a couple with one child receives \$20,550. The national poverty line is \$29,531 leaving a poverty gap of \$8,981

For Lone Parent families with 2 children the median income is \$21,620. The national poverty line of \$29,531, leaves a gap of \$7,911.

A couple with 2 children has a median income of \$27,840. The national poverty line is \$34,742 leaving a stated poverty gap of \$6,902.

Depth of Poverty

The depth of poverty on PEI does not appear to be as great as that of other provinces. This is where the Market Basket Measure which includes many essential and daily expenses can shed some light. The introduction of the HST in this low income province is making life much more expensive. The HST is very costly compared to other provinces because it applies to many more essential items and the rebate is by far the lowest in Canada. This tax drains the pockets of Islanders especially those in poverty. In addition, the former Ghiz government increased many licence and permit fees. Some fees were more than tripled. Government cast a wide net in extending the number of new items requiring permits. Rural people feel particularly oppressed by these new fees. All in all, the pockets of Islanders were well picked by the changes, helping to deprive them of many basic needs. Another factor which is sure to show up in future statistics is the effect of the Harper government's changes to Employment Insurance (EI). These changes hit Prince Edward Island and other parts of the Atlantic Region hard because of the high percentage of part time and seasonal work in their economies. Complete Statistics on their impact are not available but are expected to be serious. This month the unemployment rate rose to 10.4 percent, the second highest in the country, this in addition to the lowest weekly wage level in the country. Other factors depend on methods of reporting. Social Assistance recipients state that they do not receive the book amount. They experience many discounts.

Although the Ghiz government established a comprehensive Kindergarten program for the province, bringing it into the public education system and raising salaries of teachers to the provincial education scale, very little was done for children aged 0 to Kindergarten ages. Approximately 20 percent of families are covered by public daycare. The other 80 percent is owned and operated by private providers who are able to set their own rates. According to the Canadian Centre for Policy Alternatives, the average cost per child is \$586.00 per month placing PEI about mid-centre in comparison to other provinces. Many working parents struggle to meet their daycare costs. The picture becomes clearer given the province's continued fame of having the lowest rate of weekly earnings. Although minimum wage increases have improved, no serious moves have been made to establish a living wage rate. The end result is that 30.5 percent of children live in families with market income below the AT-LIM. The Canadian average is a disgraceful 29.1 percent.

Transfer payments play a big role in alleviating child poverty on PEI. One statistic states that the reduction rate is 40.2 percent compared to a national average of 34.6. This is the third highest percentage in Canada surpassed only by Yukon and Quebec.

Median Income on PEI by Gender

Number of male Lone Parent families, 1,190
Median total Income, \$48,180.

Number of female lone-parent families, 5,310
Median total income is \$35,430.

Male Median Incomes are \$12,750 higher than female Median Income.

Taken together there are 6500 lone parent families on PEI with a Median income of \$37,230.
Female Lone parent families have a Median Income of 73.5 percent of male Median Income and female lone parent family income is \$1,800 below the national average.

Poverty by Federal Riding

Campaign 2000 carried out research on the rate of child poverty by federal riding in advance of the 2015 federal election date. This was conducted in the 308 ridings that existed before the electoral boundary changes added 30 seats. It found that 147 of those ridings have poverty rates above the national average of 19 percent. The Charlottetown riding stands out in Prince Edward Island with a poverty rate of 24.8 percent. The next highest is Egmont with a child poverty rate of 18.8 percent, very close to the national average of 19 percent, followed by Cardigan with a child poverty rate of 16.5 percent. Malpeque riding fared best with a child poverty rate of 14 percent. Both urban and rural populations are included in these statistics. There are no PEI ridings in the first category of less than 10 percent poverty. All are in the second and third categories of between 10 and 30 percent. The 4th category consists of 29 ridings which have shocking poverty rates of 30 percent or over including 8 Toronto ridings. The other ridings in this category are located in Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Nunavut. The highest child poverty rate in this over 30 percent category was an unbelievable 65 percent in Churchill, Manitoba. This is an absurd and very shameful rate for Canada. It illustrates how far neglect by governments has gone. No riding in Canada is immune from child and adult poverty, yet the topic was not a major issue in the federal election.

The Canadian public needs to become more pro-active in the elimination of poverty for the 1.34 million children in Canada who are currently trapped in this situation. As always, indigenous communities are the hardest hit by this neglect. There needs to be a concerted effort with a long term program not only to end poverty but to assure that it can't re-occur.

Canadians are looking to their provincial and federal governments to provide the change we want. Concrete commitment must replace the lip service of the past. Positive political

leadership is required and is hopefully on its way with a new Prime Minister. There simply is no excuse for the current situation.

The riding with the least poverty in Canada was Lotbiniere – Chutes-De-La Chaudiere, Quebec. Of the ridings with a lower than 10 percent child poverty level, 21 are in Quebec, 2 are in Alberta and 4 are in Ontario. Quebec was the first province to implement a serious poverty eradication strategy.

What does this mean?

The rights of the child cannot continue to be violated by governments. These alarming child poverty rates point to a great failure of our system. Peoples' needs especially the needs of the most vulnerable should come first. But how can they when poverty is largely a forgotten issue, barely on the radar of the PEI government when budget choices and priorities are made? There is little determined effort to tackle the problem or recognize what it does to people. Food banks are a good example. A snapshot of the Charlottetown food bank system reveals that children make up 36 to 39 percent of yearly users. Although this year's Hunger Count recorded a decrease of 0.5 percent in food bank and soup kitchen use, the manager states that the number fluctuates continually between -0.5 and + 0.5 usage. Other food banks throughout the province would have similar results. The gender ratio is 55 percent female users and 45 percent male users. New households are added every month although some of these are infrequent users. The provincial government seems very content to let the public take care of hunger by means of food banks and soup kitchens although statistics show that the majority of people in need do not use food banks. Social Assistance recipients are referred to the food bank for Christmas turkeys creating a savings for the government at the expense of the public. The public attitude in tolerating this situation needs to be examined and there needs to be a laser focus on the root causes of poverty and the real and lasting ways to direct energy to transform the situation.

The much too high cost for the victims also negatively affects the health care system and the economy in general including productivity and the tax base. PEI and Canada can do much better and they can begin with a concrete commitment in the next budget. The Report on Household Food Insecurity in Canada in 2012 figures places the rate of food insecurity for Island households at 16.2 percent.

It is important to remember that poverty is structural and is therefore created by unjust economic, political and social structures. Injustice, including poverty has its origin and continued existence in structures created by people. It can be undone and therefore transformed by humans. There is really nothing all that mysterious about it.

Summary

In spite of signing many Covenants such as the International Convention on the Rights of the Child, Canada's child poverty rate stands at a disgraceful 19 percent. We have failed to recognize that children have human rights. Provincial and federal governments signed the International Covenant on the Rights of the Child, the Declaration on Human Rights and related Covenants but over the long span of years they have never honoured them. In signing them, governments committed to serious obligations to ensure rights at all levels. When will they recognize that these rights have to be translated into laws that bind?

PEI's child poverty levels continue to climb. In 1989 the rate was 13.5 percent. Our first report card, based on 2012 statistics placed the poverty rate for children ages 0 – 17 at 17.5 percent. The 2013 figures reveal that the rate rose to 18.2 percent. When broken down by family type, lone parent families are hardest hit. A couple with one child has an income gap of \$8,981, the largest gap between income and the poverty line on PEI.

New statistics by federal riding shed light on poverty outside urban areas. The Charlottetown riding count extends to the surrounding rural areas and reveals a child poverty rate of 24.8 percent, an amount well above the Canadian average. The rate for Egmont is very close to the National rate at 18.8 percent.

The gender gap is also striking as it reveals that the average income of women is \$12,750 below the average rate of income of men. There are 5,310 lone parent families headed by women on Prince Edward Island with an average income of \$35,430. The 1,190 lone parent families headed by men are much better off with an average income of \$48,180. Lone parent female families on PEI have an average income that is \$1,800 below the national average.

The MacKillop Centre for Social Justice and the PEI Coalition for a Poverty Eradication Strategy have as a major goal to research, analyse and educate the public about problems of poverty and to urge governments to begin to practice Justice for those citizens who find themselves trapped with very little alternative except to remain in poverty.

Twenty six years is a mighty long time for those in poverty, to live with poverty caused by structural injustices, in some cases it is far more than enough to diminish, shorten and even take peoples' lives.

Recommendations

- That immediate steps be taken to alleviate child indigenous poverty in conjunction with all aboriginal populations and their organizations to assure that their voices are heard.

- That the government of PEI take immediate steps to implement a Poverty Eradication Strategy with the recommended format, and increases in funding and that this include a commitment to transparency as well as a province-wide consultation. The major actors should be those who are most effected by poverty.
- That part-time workers are assured by law enough working hours to qualify for social benefits
- We support the Campaign 2000 recommendation that the federal and by implication, the provincial governments work together to ensure that the new government`s commitment to a new Canada Child Benefit will contain a target of reducing child poverty by 50 percent in 5 years and that the federal government monitor its progress to ensure that no province will initiate claw backs on any portion of the benefit to any recipient. PEI was the last province to discontinue the claw back of the National Child Benefit.
- That the provincial and federal governments honour their commitments to the Conventions they signed and that they commit sufficient funding increases to fulfill their obligations.
- That the new federal government scrap the changes and cuts to EI made by the Harper government and previous Liberal governments and that the program be strengthened to reflect the pre Canada/USA Free Trade Agreement performance when 89 percent of unemployed workers could draw benefits when they needed them.
- That the new federal government take immediate steps to introduce its proposal for more affordable and accessible housing for low income families and that new, green ways of heating homes including solar be part of the plan in order to lower fuel costs and improve housing conditions, alleviate the high cost of fuel and create more comfortable living conditions for children.
- That the cuts to social transfers made by the federal government to the Canada Social Transfer are reversed in favour of need and equality instead of basing transfers on population size.
- That a new Canada Health and Social Transfer be implemented immediately to reverse the transfer cuts proposed by the Harper government and that a national, universal, publicly funded program of prescription medicines (Pharmacare) is implemented.

- That Canada establish a new fair taxation program to ensure that all Canadians share in the financial responsibility of supporting poverty eradication programs, rather than paying indirect taxes by contributing to food drives and other necessary services that governments fail to implement.
- That Canada review all the ways that we have fallen behind OECD countries with social programs and that we make a determined effort to strengthen those programs to reflect Canada's financial capabilities.

If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin. Charles Darwin.

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