



Laying the ground work to End Child and Family Poverty in Canada

2016 Federal Pre-Budget Consultation

February 19, 2016

Anita Khanna
National Coordinator, Campaign 2000

c/o Family Service Toronto
355 Church St., Toronto, Ontario M5B 1Z8
Tel: 416 595-9230, ext. 250/244
E-mail: anitakh@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

Campaign 2000 is a non-partisan, cross-Canada network of more than 120 national, provincial and community organizations committed to working together to end child and family poverty in Canada.

It has been twenty-six years since the unanimous 1989 House of Commons resolution to end child poverty in Canada by the year 2000 and six years since the 2009 unanimous November 24th resolution of the House“ . . . be it resolved that the Government of Canada, taking into consideration the Committee’s work in this regard, and respecting provincial and territorial jurisdiction, develop an immediate plan to eliminate poverty in Canada for all.” To date, neither the promised poverty elimination nor plans have materialized. The cost of inaction has been high, and failure to prioritize child poverty reduction means that more children live in poverty today than in 1989.

Budget 2016 presents a vital opportunity to lay the ground work needed to end child and family poverty in Canada for good. Poverty is not inevitable; it is a result of policy decisions and choices made over time. Eradicating child poverty and developing a Canadian Poverty Reduction Strategy are key government policy commitments that require investments and immediate action in Budget 2016 and beyond.

Ending poverty makes moral and economic sense. Poverty costs government an estimated \$72-86 billion annually, due mainly to health care, criminal justice and social service costs. Campaign 2000 urges government to seize the opportunity to reduce child and family poverty in order to enable opportunity and success for all and secure long-term prosperity for Canada.



Canada’s high child poverty rates are unacceptable. Today, 1,334,930 children– nearly 1 in 5 – live in poverty with their families according to tax filer data (LIM-AT).¹ While parliamentarians committed to eliminate poverty among children in 1989 by the year 2000 and in 2009 for all persons, the necessary action plans never materialized.



Shamefully, child poverty afflicts some families in greater numbers. As a result of systemic discrimination and marginalization, children in families who are Indigenous, racialized, recent immigrants, affected by disability or led by a female lone-parent experience poverty in disproportionate numbers.

Summary of Key Recommendations

- Prioritize long-term investments in poverty eradication measures. Campaign 2000 has called for the Canadian Poverty Reduction strategy to include both targets and timelines to guide investments and ensure progress. The plan must be secured in legislation and identify key roles for all levels of government and recognize the particularities of how Québec pursues social policy in the Canadian context.
- Adoption of the Low Income Measure as Canada’s official poverty line. Targets and timelines cannot be established without this. The Low Income Measure mirrors the international standard and is the poverty measure most strongly associated with negative health and developmental outcomes.
- A long term approach to investing in the new Canada Child Benefit (CCB). Campaign 2000 has called for the design of the CCB to reduce Canada’s child poverty rate by 50% in 5 years. In addition, the federal government should enter into agreements with the provinces and territories

that will ensure that no claw backs are permitted on any portion of the CCB from social assistance benefits.

- An emergency infusion of \$600 million to provinces/territories/and Indigenous communities earmarked for regulated child care. This investment should be the foundation upon which to build a comprehensive early childhood education and care policy framework and system.
- Investments in housing to protect and renew existing social housing assets and to build 100,000 units of housing as a first step in a new National Housing Strategy.

Campaign 2000 Response to 2016 Pre-budget Consultation Questions.

1. In your opinion, how can we better support our middle class?

Effective social policy should not separate supporting the middle class from helping the vulnerable. It is really one problem, not two, and programs and policies should benefit both the middle class and poor. This will be done in the promised Canada Child Benefit (CCB). The very measures that assist families in poverty can ensure that middle class families do not fall into poverty due to unplanned interruption in earning or unexpected costs.

The design of the CCB must build in sufficient increases that enhance its immediate power to reduce child poverty. The CCTB/NCBS was indexed annually, but since 2007, there have been no increases to the base amount. Low levels of inflation and limited investments resulted in the child poverty rate virtually flat-lining in Canada from 2007-2013. Campaign 2000 calls for the CCB design to ensure the child poverty rate decreases by 50% in 5 years.

In order to meet government's commitment to lifting 315,000 children out of poverty, investments in the CCB and in children must be protected. The funds need to fulfill their intended purpose of preventing poverty and cannot be clawed back by the provinces and territories from families in receipt of social assistance. The federal government should take the lead on entering into agreements with the provinces and territories to ensure that no claw backs are permitted on any portion of the CCB from social assistance. Children in families in receipt of social assistance live in legislated poverty throughout Canada. The federal government must break the cycle of punishing children for their family's source of income.

Budget 2016 should invest in and improve social programs that can prevent downward mobility into poverty. Government should adopt a poverty reduction lens on all social policy decisions and discussions to serve the middle class and those living in poverty. Employment Insurance is a key program in this regard. We recommend enhancing Employment Insurance to expand access, duration and levels of benefits.

The federal government must also increase funding for the Canada Social Transfer. We call for the removal of arbitrary growth restrictions and the provision of sufficient, stable and predictable funding that reflects jurisdictional variations in need and fiscal capacity. The federal government should convene the provinces and territories to negotiate national standards for all programs to ensure all Canadians receive social assistance, social services, child care and post-secondary education of optimal quality. Both federal and provincial governments must be accountable for

meeting their human rights obligations to provide adequate income support for all low income Canadians who are without other adequate means of support.

2. What infrastructure needs can best help grow the economy, protect our environment and meet your priorities locally?

We recommend two key areas of social infrastructure investment in: childcare and social housing.

Childcare is top of mind for parents across all income brackets, but low-income families are especially poorly served with child care. Regulated childcare remains highly unaffordable for low and middle income families alike, even if they can secure a space, while subsidies can be subject to long wait lists. As a result, most families continue to rely on unregulated arrangements that are sometimes legal, sometimes not, but all without public oversight.

Canada needs a national Early Childhood Education and Care (ECEC) program, led by the federal government and developed collaboratively with provinces/territories and Indigenous communities. Central to this program is a well-developed policy framework based on the principles of universality, high quality and comprehensiveness that is guided by targets and timelines and backed by long term investments.

In the immediate term, we recommend that Budget 2016 invest in ECEC with:

- \$100 million to empower and resource Indigenous communities to design, deliver and govern ECEC systems and services that meet their needs and aspirations;
- \$500 million to provinces/ territories committed to developing their own policy frameworks based on principles of universality, high quality and comprehensiveness.

High demand for social housing and rising rents leave families unable to afford housing appropriate for their family size and household needs. Over 730,000 renter households experience extreme housing affordability problems, spending more than 50% of their income on rent. An estimated 235,000 people experience homelessness and children are 1 of 7 shelter users in Canada.²

Campaign 2000 urges the government to develop a comprehensive national housing strategy reflective of the needs of local communities and First Nations in partnership with provinces, territories, municipalities, First Nations, the non-profit sector and the private sector. The strategy requires affordable housing targets for specific populations, including low income families and others with high levels of core housing need. It should be paired with a long-term funding commitment to create and retain existing affordable housing and to support capital repairs so that governments, non-profits and the private sector can plan with certainty. We also echo the call of national housing advocates to protect and renew existing social housing assets to build 100,000 units of housing.³

3. How can we create economic growth, protect the environment and meet local priorities while ensuring that the most vulnerable don't get left behind?

Strong, effective management of our economy must include a decisive plan to eradicate poverty. Allowing poverty and inequality to continue is costly. Child poverty produces disease throughout the life cycle, impairs educational attainment and presages employment vulnerability. Currently, twenty per cent of health care spending goes to care for diseases that can be attributed to low income and poor housing.⁴

Eradicate poverty is the right thing to do for children and for all of us, including for our seniors, indigenous communities, newcomers, people with disabilities, lone parents and racialized communities – all of whom are at a much greater risk of living in poverty. Canada has a responsibility to eradicate child poverty in accordance with its commitment to the Convention on the Rights of the Child and other international agreements.

4. Finally, is the implementation of these new priorities and initiatives realistic? Will it help us grow our economy?

Acting to eradicate child and family poverty is realistic and achievable. Canada has the resources, the research and commitment to act through the Canadian Poverty Reduction Strategy (CPRS). Vulnerable children and families must be prioritized now and in the long-term to fix Canada's child poverty crisis and ensure long-term economic and social stability.

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

To hold government accountable to meeting the strategy's targets and timelines, programs must be backed by long term investments. In addition to the elements specified above, the CPRS should include:

- Resources for a plan to reduce, prevent and eradicate child and family poverty among Indigenous families developed in conjunction with Indigenous organizations.
- Investment in a good jobs program that addresses the rise in precarious work, involuntary part-time work and working poverty. This program should include employment equity in the public and private sectors to address the disproportionate levels of poverty experienced by people with disabilities, racialized and Indigenous people, women, and recent immigrants.
- A renewed approach to Canada's social safety net that rebuilds transfers for social assistance and social services.
- Enhanced extended maternity/parental leave benefits. These benefits should include all new parents (adoptive, student, trainee, self-employed parents, part-time and casual workers) be more flexible and should include a secondary caregiver benefit.

- A plan to address growing income inequality by restoring fairness to the personal income tax system and re-introducing the principle of taxation based on ability to pay.

¹ Statistics Canada. Table 111-0015 - Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual, CANSIM

² Gaetz, S., Gulliver, T. & Richter, T. (2014). The State of Homelessness in Canada: 2014. Toronto: The Homeless Hub Press. Retrieved from <http://www.homelesshub.ca/SOHC2014>

³ Canadian Housing and Renewal Association. (2016). Affordable housing: A foundation for social inclusion. Retrieved from: http://chra-achru.ca/sites/default/files/pre-budget_2016_housing.pdf

⁴ Dr. Anna Reid. (June 2013). Presentation to All-Party Caucus on Poverty by Canadian Medical Association. Ottawa.