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#### **2016 BC CHILD POVERTY REPORT CARD**

#### **NOVEMBER 2016**

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### Introduction

#### ARE WE REALLY THE CARING SOCIETY WE THINK WE ARE?

The statistics and stories in this report tell a painful truth about British Columbia. We like to think of ourselves as a caring, civilized society, but in fact we have been tolerating and sustaining shameful levels of child and family poverty for decades. By allowing our society's wealth to be concentrated in the hands of fewer and fewer wealthy individuals, we have allowed thousands of children to grow up in poverty that we know hurts their health and ignores their human rights.

We have left families raising children in BC to face stagnating wages, precarious work, gaping holes in our social safety net, and soaring costs for essential living expenses (for example, housing, food, child care, transportation). Parents raising their children in poverty are frantically trying to keep their heads above water by working more hours or multiple jobs (if they can), going to the food bank, scrimping on their own nutrition and juggling which bills they can afford to pay each month and still cover their rent. We have ignored the injustice of the continued over-representation of particular populations of children in these dire circumstances.

The most recent statistics from Statistics Canada (2014) paint a stark picture: 1 in 5 BC children are poor. Fifty percent of BC children being raised by single parents are poor and single mothers are going hungry to feed their children. Youth are aging out of foster care into deep poverty and disconnection, and a disproportionate number of them are Indigenous. Growing income inequality and systemic discrimination based on gender, cultural identity, disability, age and other social status markers frame this picture.

And yet, to quote pioneering researcher Dr. Clyde Hertzman, "It doesn't have to be this way."

We know these statistics can change through the impacts of good public policies. First Call is happy to note the acknowledgement by the new federal government that allowing income inequality to rise and social mobility to decline undermines core Canadian values of fairness and equality of opportunity. We are hopeful their commitment to developing a national poverty reduction strategy will galvanize all levels of government to act on the evidence and recommendations in this Report Card and the Campaign 2000 2016 Report Card on Child Poverty in Canada. The important first step to implement the new Canada Child Benefit is already making a difference in poor families' incomes,

1 Ministry of Families, Children and Social Development, Towards a Poverty Reduction Strategy - Discussion Paper, (2016).











although we won't be able to see the impacts on the poverty statistics for another year or two. There is still much work to do at the federal level to make sure all families can offer their children equal opportunities.

Here in BC, thanks to strong advocacy from many families, community organizations and coalitions and the Representative for Children and Youth, the provincial government has responded in the last year with some progressive policy changes, such as eliminating certain clawbacks from families with children on social assistance and enhancing some supports for youth aging out of foster care.

However, as the evidence continues to show, the severity and longevity of the crisis of child poverty in this wealthy province calls for a much bolder and more comprehensive public policy response. As shown in the poverty maps on the accompanying stilllin5.ca website, child poverty is a problem in every part of this province, with some urban neighbourhoods and rural communities having rates exceeding 50%.

To date, the current BC government remains entrenched in denial about the need for a provincial poverty reduction plan that builds in accountability to achieve measurable poverty reduction goals. The call for such a plan has been echoed for many years by the Opposition New Democratic Party, the Select Standing Committee on Government Finance, the Union of BC Municipalities, the Representative for Children and Youth, First Call's 95 member organizations, the BC Poverty Reduction Coalition's 450 members and supporting organizations, school districts, and many health, labour, faith, business and other community organizations. We're waiting to see if government is listening to this groundswell of diverse voices calling for bolder action.

And, as the recommendations in this Report Card outline, we know many of the solutions that a comprehensive plan can be founded on. We make 20 specific public policy recommendations, 15 of which fall within provincial jurisdiction. They address the root causes of child and family poverty—low wages, inadequate welfare rates and other income supports; an insufficiently progressive tax system;



The evidence in this report is a call to action to all **British Columbians** distressed by the poverty experienced by their neighbours, by children going to school hungry and relying on food banks, by rising youth homelessness, and by parents working hard but not earning enough to provide for their families.









Let candidates
and those
elected know
you want to
see action on
the root causes
of child and
family poverty.

the crisis in the affordability and availability of high-quality child care and the inadequacy of maternity and parental leave benefits; the housing crisis; financial barriers to accessing post-secondary education; insufficient supports for youth aging out of foster care, for grandparents raising grandchildren and for new immigrants and refugees; and the unaddressed discrimination affecting Indigenous families and communities, including the historically-inadequate investments in the well-being of Indigenous children and families.

The evidence in this report is a call to action to all British Columbians distressed by the poverty experienced by their neighbours, by children going to school hungry and relying on food banks, by rising youth homelessness, and by parents working hard but not earning enough to provide for their families. We call on you to stand behind the recommendations for action in this Report Card in the coming provincial election and beyond. Let candidates and those elected know that you are paying attention to their level of commitment to eradicating child poverty and acting on its root causes. Let them know you want BC and Canada to live up to the stories we tell about being a caring society.







### One in Five BC Children Living in Poverty

#### **BC'S CHILD POVERTY RATES**

Children of all ages are disproportionately affected by poverty in British Columbia and Canada. In 2014, 19.8% of BC's children 0-17 years old were living in poverty, representing 163,260 children, as measured by Statistics Canada's Low Income Measure (LIM) after income taxes. BC's child poverty rate was higher

### 1 out of 5

BC children are poor

- higher than the
national average on
both measures.

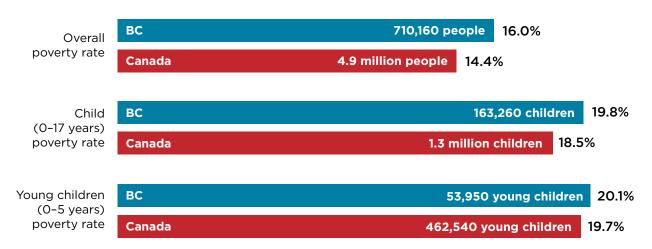


than Canada's child poverty rate of 18.5% in 2014. These rates are down incrementally from 2013 when BC's was 20.4% and Canada's was 19%. The number of BC poor children decreased by 4,550 from 2013 to 2014.

This one-in-five child poverty rate was nearly 4% higher than the poverty rate for BC's overall population of 16%. If BC's child poverty rate had been reduced to the same level as the overall poverty rate, there would have been 31,281 fewer poor children in British Columbia in 2014.

The fact that child poverty rates are higher than overall poverty rates in Canada and every province<sup>1</sup> points to the need for systemic provincial and federal policy changes that better support families in their child-rearing years.

# Overall Population, Child (0-17 years old) and Children Under Age 6 Poverty Rates, BC and Canada, LIM After Tax, 2014



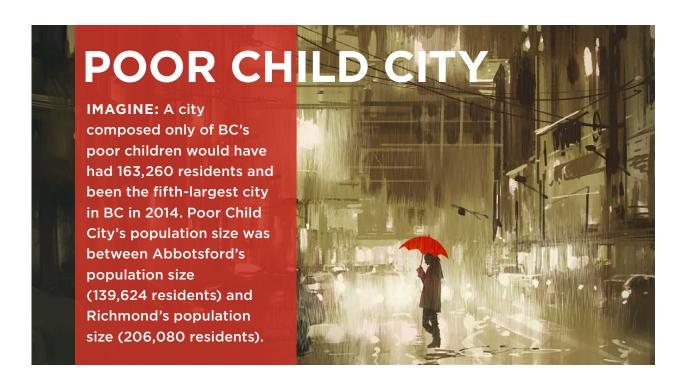
Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015.







<sup>1</sup> Statistics Canada. Table 111-0015.



#### POOR CHILDREN UNDER SIX YEARS OLD

Early childhood (0-5 years) is a critical developmental period for the human brain and the skills and capabilities influenced by early experiences. The experience of poverty in this crucial period is known to impact children for the rest of their lives, making elimination of young children's poverty especially important.



The early years are a critical time for children's development. For this age group, poverty can have lifelong consequences.

This means the higher poverty rate of 20.1% for BC children under six years old is particularly alarming. While this is a slight decrease from 20.7% in 2013, 53,950 (just over one fifth) of BC's youngest children were still living in poverty.

Evidence from BC's Wave 6 (2013-16) Early Development Instrument trend data from the Human Early Learning Partnership at the University of British Columbia shows child vulnerability in the province has meaningfully increased over the past decade, with 32%, or about one in three, of BC's kindergarten students starting school with vulnerabilities in one or more areas that are critical to their healthy development. The proportion of children who experience multiple vulnerabilities has been steadily increasing,<sup>2</sup> and poverty is one of the most powerful predictors of poor developmental outcomes.

<sup>2</sup> Human Early Learning Partnership. *EDI BC 2016 Provincial Report*. University of British Columbia, School of Population and Public Health, October 2016.







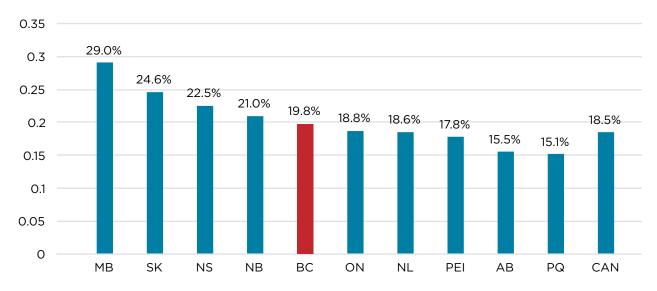


#### **PROVINCIAL RANKINGS**

In 2014, BC's child poverty rate (19.8%) was the fifth highest out of Canada's 10 provinces. BC's child poverty rate was much higher than the lowest provincial child poverty rate of 15.1% in Quebec, as well as the child poverty rate in neighbouring Alberta (15.5%).

Ontario, Quebec, and Alberta all had child poverty rates lower than BC's—as did Newfoundland and Labrador and PEI.

#### Child Poverty Rates by Province, LIM After Tax, 2014



Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015.





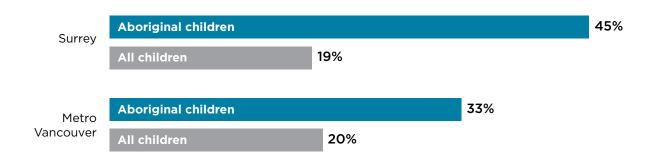


#### SOME CHILDREN ARE OVER-REPRESENTED IN POVERTY STATISTICS

The overall child poverty statistics hide the fact that particular groups of children are over-represented in these numbers. Census data has consistently shown that there are significantly higher poverty rates for children of recent immigrants, Indigenous children, children in female lone-parent families, children in racialized (visible minority) families and children with a disability.

As this graph illustrates for Surrey and Metro Vancouver using National Household Survey 2011 data, Aboriginal children are more than twice as likely to be poor than the overall child population, and the over-representation is even greater for younger children.<sup>3</sup>

# Aboriginal Child Poverty Rates, 18 and younger, in Surrey and Metro Vancouver, LIM After Tax, 2011



Source: All Our Relations: Phase 1 of the Surrey Urban Aboriginal Social Innovation Strategy, 2016, from Statistics Canada, National Household Survey 2011 data.

Child poverty for young
(6 years and under) Aboriginal children is even higher:
54% of Aboriginal children age 6 and under in Surrey live in poverty, compared to 18% for all children in Surrey in this age group.

NHS data also indicated the poverty rate for immigrant and visible minority children to be 32% and 22%, respectively.<sup>4</sup>

According to the Canadian Association for Community Living, children with intellectual disabilities are twice as likely as other children to live in households that rely on social assistance.<sup>5</sup>

Fact Sheet 3 contains the data on the dramatically higher poverty rates of children in single-parent families.

<sup>5</sup> Canadian Association for Community Living. Assuring Income Security and Equality for Canadians with Intellectual Disabilities and Their Families, April 2013. www.parl.gc.ca/Content/HOC/Committee/411/FINA/WebDoc/WD6079428/411\_ FINA\_IIC\_Briefs%5CCanadianAssociationforCommunityLivingE.pdf







<sup>3</sup> All Our Relations, prepared for the Surrey Aboriginal Leadership Committee by Sheldon Tetreault and Michele Guerin, 2016. www.surrey.ca/files/AllOurRelations\_FINAL\_WEB\_VERSION.pdf

<sup>4</sup> Canadian Centre for Policy Alternatives. Shameful Neglect: Indigenous Child Poverty in Canada, May 2016. www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/05/Indigenous\_Child%20\_ Poverty.pdf



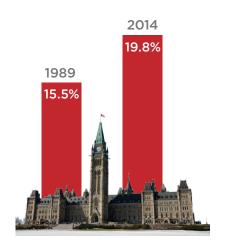
### **BC's Child Poverty Rates Over Time**

Since the passage of the 1989 House of Commons all-party resolution to eliminate child poverty in Canada by the year 2000, British Columbia's child poverty rate has risen from 15.5% in 1989 to 19.8% in 2014.

Between 2000 and 2014, there was a decrease in the percentage of BC children 0-17 years old living in poverty, based on the LIM after-tax measure. This was similar to the trend in Canada as a whole. Between 2000 and 2014, BC's child poverty rate decreased from 25.3% to 19.8%. During the same period, Canada's child poverty rate decreased from 22.3% to 18.5%.

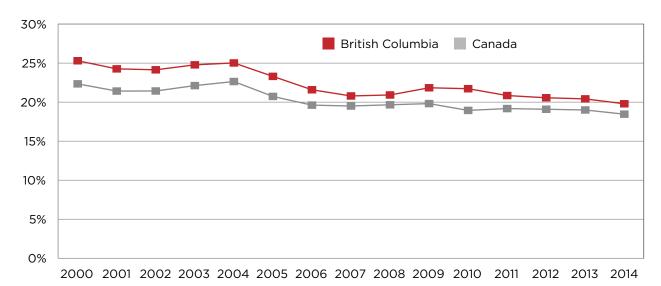
Most of this decrease in BC's child poverty rate occurred between 2004 and 2007, when the child poverty rate dropped from 25.0% to 20.8%. The child poverty rate then increased until 2009, when it reached 21.8%, before declining slowly to 19.8% in 2014.

British Columbia's child poverty rate was at least one percentage point higher than Canada's child poverty rate in each of the years 2000 to 2014.



Since the House of Commons passed a resolution in 1989 to eliminate child poverty in Canada, BC's child poverty rate has risen from 15.5% to 19.8%.

#### Child Poverty Rates for Canada and British Columbia, LIM After Tax, 2000-2014



Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015.











BC's child poverty rate from 2000 to 2014 remained consistently higher than the Canadian average. While it's heartening to see the poverty rate declining, the decline is pitifully slow and 163,260 poor children is unacceptably high.

The number of poor children in British Columbia, based on the LIM after-tax measure, decreased from 221,220 poor children in 2000 to 163,260 poor children in 2014, a decrease of 57,960 poor children. While it's heartening to see the poverty rate declining, the decline is pitifully slow and 163,260 poor children is unacceptably high. Using 2014 child population numbers, and the average number of children lifted out of poverty annually between 2000 and 2014 (4,140), it would take until the year 2053 to eliminate child poverty in BC. We can't afford to wait for government to act on known solutions while generations of children experience the harmful impacts of growing up in poverty.







# **BC Child Poverty by Family Type**

#### CHILD POVERTY IN LONE-PARENT AND COUPLE FAMILIES



Child poverty in BC includes all family types.

A child in a lone-parent family has a much higher chance of living in poverty compared to a child in a couple family. In 2014, based on the LIM after-tax measure, more than half (50.3%) of children 0-17 years old in lone-parent families lived in poverty in British Columbia, compared to one in eight children (12.4%) in couple families.

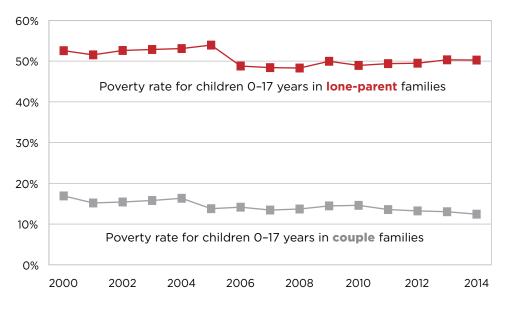
While the child poverty rate for children in lone-parent families in BC decreased from 52.6% in 2000 to a low of 48.3% in 2008, it has since increased to 50.3% in 2014. BC has made no substantial progress in reducing this astounding rate of poverty for children in lone-parent

families since 2006, and, in fact, it has trended upward since 2009.

Our meagre 4% decrease in the poverty rate for children in lone-parent families between 2000 and 2014 is the third-smallest decrease of all 10 provinces. In this same period several provinces with provincial poverty reduction plans made much better progress: Newfoundland Labrador brought its rate down by 20%, and Quebec's and Nova Scotia's rates both decreased by 16%.

The poverty rate for children in couple families in BC dropped from 16.9% in 2000 to 12.4% in 2014. While this is a positive trend, the median income of poor couple families in BC is the lowest of all provinces at \$23,450 per year.

#### BC Child Poverty Rate by Family Type, LIM After-Tax, 2000-2014



One in every two BC children of single parents were poor in 2014.



Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015.





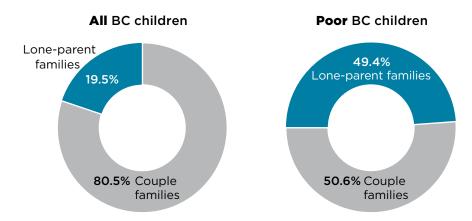


#### PROPORTIONS OF BC CHILDREN IN DIFFERENT FAMILY TYPES

While one in five children (19.5%) in British Columbia were in lone-parent families in 2014, approximately half of all children living in poverty in BC were in lone-parent families (49.4%). This disparity further speaks to the burden of poverty that children in lone-parent families disproportionately bear in BC.

A large number of children in both family types were poor in British Columbia in 2014: 80,720 poor children in lone-parent families and 82,540 poor children in couple families.

#### Proportion of BC Children 0-17 in Couple Families and Lone-Parent Families, 2014



Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015.









### **Depth of Family Poverty**

#### FAMILIES WITH CHILDREN LIVING FAR BELOW THE POVERTY LINE



Living at the poverty line is a challenge, and many poor families actually live far below the poverty line. According to 2014 taxfiler data, the median total after-tax incomes for poor families in British Columbia were significantly below the Low Income Measure (LIM) after-tax poverty lines for both couple and lone-parent families.

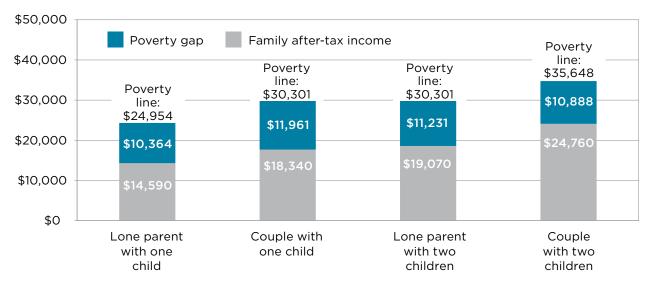
In 2014, over half of poor two-parent families with one child lived on less than \$18,500 per year, which is 39% below the poverty line.

In 2014, the median after-tax income for poor lone-parent families with one child was \$14,590, or \$10,364 below the poverty line of \$24,954 for this family type. The poverty gap was even larger for poor lone-parent families with two children, with their median after-tax income of \$19,070 being \$11,231 below the poverty line of \$30,301 for this family type.

Many poor couple families with children also lived far below the poverty line. Poor couple families with one child, with a median after-tax income of \$18,340 compared with a poverty line of \$30,301 for their family type, had the largest poverty gap of the four family compositions studied: \$11,961. Poor couple families with two children had income of \$24,760, falling \$10,888 short of the \$35,648 poverty line for this family type.

The graph below illustrates how far below the poverty line the median after-tax family incomes were for these four different low-income family types in 2014. Since the median income is the middle of the range, this means half of the families lived on even lower incomes.

## Depth of Poverty for Poor BC Families with Children Based on Median After-Tax Income and LIM After Tax (Poverty Line), 2014



Source: Statistics Canada. Table F-18. Family Data. CANSIM Table 111-0015 and T1 Family File 2014 User's Guide.









Low wages and systemic discrimination mean that single mother Jody is unable to get into the housing she needs to give stability for her young family, despite her best efforts. She and her 10-year-old son currently live with her parents as a result of BC's lack of affordable housing and high rental rates. "At my wages I can't afford market-rate housing," Jody explains.

Earning less than the living wage restricts her ability to move out of her parent's home, and other housing options have been thwarted by discrimination. Jody was recently turned down for affordable housing. In a telephone interview, a housing official asked Jody asked if she would have male visitors to which she replied she expected male family members to visit. The official then asked if Jody was a sex worker.

This humiliating event reflects realities that many single mothers encounter, Jody says, adding that the stigma attached to the single-mother label is "pervasive and entrenched." A 2011 report out of the University of BC found that single mothers were 14% more likely to receive either no response or a negative response from landlords about new rentals, compared to heterosexual couples.

"It would take over 50% of my income if I moved out. Being a single parent—that's where you are trapped." Jody continues to pin her hopes on a wage increase or a successful application to affordable housing. "Until I get a raise I won't be able to move out," says Jody.

Read Jody's full story at still1in5.ca.

#### IMPACTS OF LIVING IN DEEP POVERTY ON CHILDREN AND FAMILIES

#### HOUSING INSECURITY

Families raising their children in deep poverty face impossible choices in the face of the rising cost of living in BC. As affordable rentals become scarcer and wait lists for social housing grow longer, some families with children are at greater risk of homelessness or living in substandard shelter. Some parents,

Living at the poverty line is a challenge, but many poor families actually live far below the poverty line.

especially lone parents, have to live with their own parents because they can't afford market rent. (See Jody's story above.)

In 2011, 33% of BC children in lone-parent families were in core housing need, and rents have only gotten higher since then. The 2014 Vancouver Homelessness Count recorded 255 homeless children and youth, 93 accompanied children under 19 years and 162 youth aged 19 to 24.1

The Canadian Pediatric Society notes that living in housing need can "negatively impact all aspects of child and youth physical, mental, developmental and social health."<sup>2</sup>

- 1 Matt Thomson. Vancouver Homeless Count, 2016. vancouver.ca/files/cov/homeless-count-2016-report.pdf
- 2 Waterson, S., B. Grueger and L. Samson, 2015. Paediatrics and Child Health, Canadian Paediatric Society, 20(7):403-07.







#### **FOOD INSECURITY**

When rent eats up the lion's share of the household budget, families face hunger and a lack of access to nutritious food. In 2011-2012, 24% of BC lone parents with children under 18 experienced moderate to severe food insecurity.<sup>3</sup>

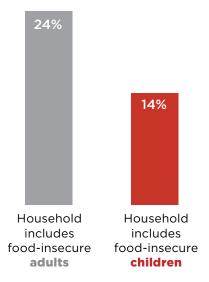
The Dietitians of Canada note, "Among adults in food insecure households, there is a higher prevalence of mental health conditions including depression. Children who repeatedly experience severe household food insecurity are two to four times more likely to have poorer health or a diagnosed chronic condition. Greater risks of developing depression and suicidal ideation in adolescence and early adulthood have been associated with childhood experiences of household food insecurity.<sup>4</sup>

Parents who go hungry or have poor-quality diets also struggle to be the best they can be, both from the physical and mental effects of poor nutrition and the stress of raising children in poverty while living in a wealthy society.

With the skyrocketing costs of post-secondary education, food insecurity is a growing problem for many university students who lack family financial support. One study revealed 39% of students surveyed at the University of Northern British Columbia had to skip meals or compromise on their food quality.<sup>5</sup>

For poor families with children, it is common for the adults to sacrifice their own nutritional needs to ensure that their children have enough food.

BC Lone-Parent Households that are Food Insecure, 2011–2012



"All those years, I had a special budget for my son, I had high quality food for him. He had fresh cheese, fruit, milk. I didn't touch it. I ate from the food bank." —Marta, single mother

#### **FOOD BANK USE**

In 2016, 103,464 people were helped by food banks in BC, a 33% increase since 2008 and a 3% increase since 2015. Some 32% or 33,315 were children.

Of those helped in BC, 35% were families with children, and nearly half of these (45%) were two-parent families. 12% were currently employed and another 4% were recently employed.

Source: Food Banks Canada. Hunger Count 2016.

In 2016, 33,300 BC children relied on food banks.

- 3 Statistics Canada. Canadian Community Health Survey. CANSIM Table 105-0545.
- 4 Dietitians of Canada. Position Statement and Recommendations on Food Insecurity, Executive Summary, p. 4.
- 5 Lorinc, J. "Four in Ten university students lack food security as educations costs skyrocket," *MacLean's*, October 2016. www.macleans.ca/education/four-in-ten-university-students-lack-food-security-as-education-costs-skyrocket/









### **Child Poverty and Working Parents**

#### **LOW WAGES AND PRECARIOUS WORK**

The majority of poor children in British Columbia live in families with parents who work in the paid labour force. Some of these parents work full time, full year, and others work part time and/or part of the year. Whether earning low wages, or stuck in precarious or insufficient work without benefits, all of these parents are not earning enough to lift their families out of poverty.

#### **MINIMUM WAGES, LOW WAGES**

In 2014, a single parent with only one child, working full time, full year, earning BC's then minimum wage of \$10.25 an hour, would have earned total wages of \$18,655, more than \$9,500 below the Low Income Measure (LIM) before-tax poverty line of \$28,192 for this family. A single parent with two children working for this income would have been more than \$15,500 below the poverty line for a three-person family. Two parents with two children, both working full time, full year at this minimum wage, would have earned \$37,310, leaving them almost \$3,000 below the before-tax poverty line of \$40,274 for this family.

BC's 2014 minimum wage was completely inadequate for raising a family and left even single childless earners below the poverty line.

Since 2014, the BC government increased the minimum wage by 20 cents in September 2015 and by 40 cents in September 2016, bringing it to \$10.85 an hour. Yet a single parent with one child, working full time, full year at the new minimum wage, wouldn't even reach the 2014 poverty line. What is needed is a minimum wage of at least \$15 an hour.

Some BC workers are not even guaranteed the full minimum wage. Farm workers, for example, who are paid piece rates, and liquor servers who can be paid a lower minimum wage of \$9.60 an hour. Using a very conservative definition of "working poor" that excludes youth under 18, students and those living with their parents or other relatives, research

A single parent working full time, full year for minimum wage in 2014 earned only \$18,655.



While the BC government has raised the minimum wage since 2014 by 60 cents to \$10.85, what is needed is a minimum wage of at least \$15 an hour.

shows that 42% of the working poor had dependent children (32% were living in couple families with children and 9% were single parents) in Metro Vancouver in 2012, and the numbers were similar across the entire province of BC.<sup>1</sup>

<sup>1</sup> Iglika Ivanova. Working Poverty in Metro Vancouver, Canadian Centre for Policy Alternatives, United Way of the Lower Mainland and BC Poverty Reduction Coalition, 2016.





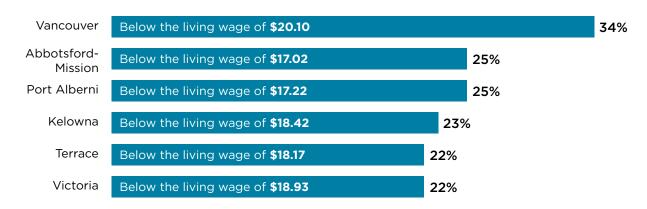


#### LIVING WAGES

First Call hosts the Living Wage for Families Campaign to raise awareness about the negative impact of low-wage poverty on families and communities. When employers pay a living wage, they are contributing to a key solution to the issue of child and family poverty. The living wage is well above the poverty line, but still only provides a bare-bones budget without room for savings or paying off debt. It is recalculated annually to take into account family expenses.

As shown in the graph below, in 2014 significant proportions of two-parent families with children were earning less than the 2014 regional living wage in these six communities.

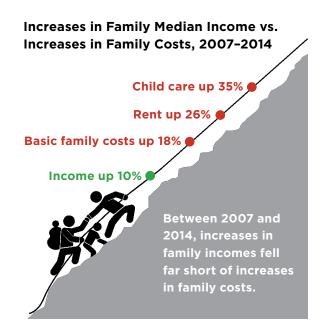
# Percentage of Couple Families with Children with Total Incomes Below Regional Living Wages, 2014



Source: CANSIM Table 111-0013 and Living Wage for Families Campaign.

Living wages have been calculated for many BC communities. They are what a two-parent, two-child family, with both parents working full time, would need to earn to meet their basic needs such as food, rent, transportation and child care. For 2016, living wages in BC range from a high of \$20.64 in Metro Vancouver to a low of \$16.28 in the Fraser Valley.

Annual living wage calculations help highlight the gap between the increases in families' expenses year to year and the growth in median incomes. In Metro Vancouver, between 2007 and 2014, the increase in the model family expenses overall was 18%, while the median incomes of two-parent, two-child families only increased by 10%. Some key costs to the family budget increased at much higher rates, for example child care increased by 35% during this period and rent by 26%.<sup>2</sup>



2 Source for median income: CANSIM Table 111-0009; Living wage costs from Living Wage for Families Campaign calculations.









When Marta immigrated to Canada in 2005, she didn't think it would be to a life of poverty wages and food banks for her and her son.

Since then, a minimum wage job in a medical laboratory has resulted not only in hungry times for the single mother, but also multiple debilitating injuries from exploitative labour practices. Marta is now unable to work and on long-term disability, the combined result of stress inflicted by laboratory management, and the health impacts of living on minimum wage well below the poverty line.

"They knew I was a single mom," says Marta, adding

she was constantly pressured to take more shifts. "They said I would lose my job unless I had the 'flexibility' they required, which now I know was not right." To care for her son, now 13 and living with a learning disability and behavioural challenges, Marta kept taking extra shifts, which led to her own health issues.

Two years ago, after a prolonged period working back-to-back graveyard and weekend shifts, without the rest hours stipulated by work legislation in British Columbia, Marta sustained a concussion while on the job that caused her to lose consciousness. "The impact was very hard. It caused glaucoma and an optic nerve moved." Marta's doctor told her to avoid canned foods, but without an income greater than minimum wage or long-term disability assistance, she was unable to make the switch.

"I was always *between* paying my rent and having food in my house. Minimum wage was never enough."

Read Marta's full story at still1in5.ca

#### **BC'S CHILD CARE CRISIS**

Access for families to a public system of affordable, high-quality child care is key to an effective poverty reduction strategy. Child care is the second-highest cost (and in some places the highest) in living wage family budget calculations in BC.

BC families face a crisis in accessing quality, affordable child care:

- Fees are too high—the second highest family expense after housing.
- Wait lists are too long, with a regulated space for less than 20% of children.
- Too often, families are forced into unregulated care, with no safety standards.

STOADAY.ca

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First Call supports the \$10aDay Child Care Plan, a made-in-BC solution to the child care crisis facing families with young children today. Learn more and endorse the plan at www.10aday.ca.







### Children in Families on Welfare



A family of four on welfare has to get by on only **\$21,924** a year.

#### WELFARE BENEFITS FALL WELL SHORT OF POVERTY LINES

Based on average monthly caseloads, 21% of British Columbia's poor children were in families on welfare in 2014. Life was very hard for the 33,536 children in these families, as welfare incomes were again below the poverty lines for different family types.

In 2014, total annual welfare income for a lone parent with one child in BC was \$17,277, \$7,677 short of the poverty line based on the after-tax Low Income Measure (LIM) of \$24,954 for this family type. Total welfare income for a family of four, two parents with two children, was \$21,924, \$13,724 short of the poverty line of \$35,648 for this family type. Because welfare incomes are so inadequate, families are frequently forced to rely on food banks and other sources of charity to feed and clothe their children.

Welfare benefits are not indexed or increased automatically with the cost of living, so benefits lose value over time. In BC, rates have not increased since 2007, except for the highly disputed increase of \$77 per month for disability assistance recipients that, made in tandem with changes to the bus pass and special transportation subsidy programs, left many recipients hardly any better off.1

As shown in the graph on the following page, adjusted for inflation, welfare incomes for a lone parent with one child actually decreased from \$17,858 in 1989 to \$17,277 in 2014, a loss of \$581 in annual income. The decrease was even greater for a couple family with two children, dropping from \$23,328 in 1989 to \$21,924 in 2014, a loss of \$1,404 for this family.

The graph also shows changes in federal and provincial payments to lone-parent families and couple families between 1989 and 2014, with 1989 payments adjusted to 2014 dollars to account for inflation, along with the poverty lines for each family. The federal share of welfare incomes more than doubled in these 25 years, largely due to federal child benefits, while the provincial share declined dramatically during this period.

This uneven contribution to welfare incomes will likely increase noticeably as the new federal Canada Child Benefit shows up in statistics in future reports. As BC and other provinces have indicated that

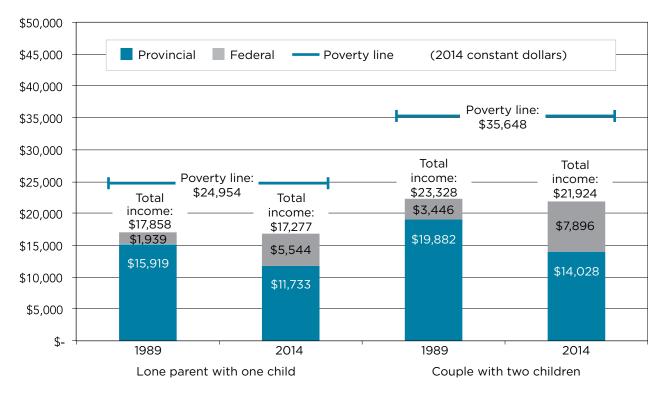
1 West Coast LEAF, CEDAW Report Card 2016, p. 8.







#### Federal and Provincial Shares of Welfare Incomes in BC, 1989 and 2014 (in 2014 dollars)



Source: Caledon Institute of Social Policy; poverty lines from Statistics Canada, LIM After-Tax.

this full federal benefit will not be deducted from provincial welfare benefits, we should also see total welfare income for both family types increase somewhat for 2015 (half-year implementation) and 2016 (the first year of full implementation). Unfortunately, the new federal child benefit will not be indexed until 2020, so it will also lose value depending on the inflation rate between 2015 and 2020.

In 2014, there was an average of 16,627 lone-parent families and 3,197 two-parent families on welfare in BC. About 65% of the two-parent families and 68% of the lone-parent families were temporarily or permanently exempted from work expectations due to disabilities, persistent multiple barriers, medical conditions and other temporary exemptions.

First Call and Campaign 2000 are calling for major increases in welfare rates for all recipients, and the annual indexing of welfare rates based on increases in the cost of living.

#### **POSITIVE CHANGES IN BC'S WELFARE POLICIES**

As noted in last year's *BC Child Poverty Report Card*, in 2015 there were some positive changes to BC's welfare policies. First Call coalition members were appreciative when the BC government eliminated the clawback of child support from single parents on income and disability assistance in September 2015, reducing the depth of poverty for more than 5,400 BC children annually.

At the same time, another 50 to 100 children benefited from the elimination of the clawback to the Canada Pension Plan orphan's benefit, from widowed welfare recipients when their disabled partners died. However, families are still fighting to stop the clawback of the CPP survivor's benefit for spouses. (See Neil and Jake's story on page 23.)







Responding to advocacy again, in March 2016 government announced the elimination of the clawback of the Workers' Compensation orphan's benefit.

Facing a human rights complaint from mother Jessica Alford about the claw-back of her maternity and parental leave benefits from Employment Insurance, and a rising chorus of disapproval about this policy, government again responded with the elimination of the clawback effective October 1, 2016.

The Single Parent Employment Initiative (SPEI), in place since September 2015, aims to remove barriers for single parents on income assistance to obtaining education or training they need to transition to the workforce. This initiative allows single parents to continue to receive income and disability assistance benefits for a year while they attend an approved program. Their tuition and school-related transportation costs can be paid for while they are in the SPEI. Importantly, child care costs can also be covered for a year while they are in school or training, and for a second year if they transition into work. Single parents are now also allowed to keep education-related bursaries and grants.

There have been a number of other positive policy changes including an increase in earnings exemptions for families with children, and allowing these families to retain health supplements (dental, optical, and premium-free Ministry of Health Medical Services Plan and Pharmacare programs) for up to 12 months after leaving assistance for employment.

The Single Parent
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### **Neil and Jake's Story: An Update**

Are your Canada Pension Plan benefits earned or unearned income? Unearned, according to the BC government.

In the past three years Neil has been locked in a battle with the province to retain his disability allowance. The 2015 BC Child Poverty Report Card told the story of his struggle, and one year later the BC government continues to claw back \$450 a month from from the Canada Pension Plan death benefit Neil is entitled to following the loss of his wife.

"For two years I've been writing emails and the people that should be responding aren't," Neil says, referring to the Minister of Social Development and Social Innovation.

Neil's wife died in 2013 and his grief was multiplied when the BC government started deducting \$700 from his income.

As of September 2015 when the BC Liberals announced an end to the child support clawback, they also eliminated the clawback of the orphan's benefit, the part of CPP related to children of a deceased parent. This meant that Neil and his son Jake were able to keep \$250 a month.

Keeping that money had an immediate positive impact for Jake. Neil was able to buy more clothes for his son.

Neil continues to call for an end the unjust clawback of CPP death benefits his wife paid into for over 17 years.

"If I could keep the death benefits my wife earned, I would enrol my son in more things, buy him more clothes and not always pinch pennies."

Read Neil and Jake's full story at still1in5.ca



### **Aging Out of Foster Care into Poverty**

Unlike youth who can rely on family help long past age 19, the majority of youth in and from care do not have access to the personal, family, financial and social supports they need.

#### **READY OR NOT: SUPPORTS LACKING** FOR YOUTH LEAVING GOVERNMENT CARE

Every year, approximately 1,000 youth in British Columbia age out of government care and youth agreements at the age of 19. Through no fault of their own, these young people are among the groups most vulnerable to poverty.

Unlike youth who can rely on family help long past age 19, the majority of youth in and from care do not have access to the personal, family, financial and social supports that would make this difficult transition into adulthood less scary, less lonely, and help them avoid "graduating" into poverty and, sometimes, homelessness.

> Thanks to research published by Vancouver Foundation's Fostering Change initiative<sup>1</sup> and

> the Office of the Representative for Children

and Youth,2 among others, we know that almost half of former youth in care will go on

income assistance within a few months of their 19th birthday, plunging them immediately into

Additionally, we know that 40% of BC's homeless youth have been in government care at some point in their lives. A study in Kamloops identified the difficult transition experienced by

the vulnerability of deep poverty.



"Employment rates [for youth from care] are low and concentrated in low-paying jobs, there is a high degree of reliance on government assistance, and income from all sources is very low, commonly below the poverty line."4

youth leaving government care as one of the key systemic failures leading youth to become homeless.3

Knowing the importance in today's world of education for optimizing employment prospects and for social, physical and mental health and well-being, it is also alarming that a much lower percentage of youth aging out of care at age 19 have completed Grade 12 with a Dogwood diploma than the general population, and an even smaller proportion of youth from care enrol in post-secondary education programs.

- 1 http://www.fosteringchange.ca/
- 2 On Their Own: Examining the Needs of B.C. Youth as They Leave Government Care, 2014. https://www.rcybc.ca/reports-and-publications/reports/monitoring-reports/their-ownexamining-needs-bc-youth-they-leave
- 3 City of Kamloops. A Way Home: A Plan to End Youth Homelessness in Kamloops, 2013.
- 4 Shaffer, M., L. Anderson, A. Nelson. Opportunities in Transition: An Economic Analysis of Investing in Youth Aging Out of Foster Care in their 20s, Report 1 of 3: Educational, Economic, Social, and Wellness Outcomes, SFU School of Public Policy, Fostering Change, Vancouver Foundation, 2016.









At 23, Natasha Santerre has a dim view of the years she spent in the care of BC's Ministry of Children and Family Development.

"They took me out of one bad situation to place me in a million different other homes. I changed homes every few months, so they basically just threw me into chaos."

Natasha says her years of hardship that followed removal from her abusive childhood home could have been prevented if BC's foster care system were better funded.

"The lack of support I was given in ministry care didn't give me any room to grow out of my poverty situation. I was never taught how to get a job, I was never taught basic life skills that could help me with my future."

Natasha was in a treatment centre in BC's Southern Interior the day she turned 19 and aged out of the foster care system. "I was just shown the door. I didn't get any housing support, any support like that, any basic needs support I needed."

On her own, penniless and with nowhere to sleep but on the floor, Natasha eventually found her way to the Federation of BC Youth in Care Networks, which she credits with getting her back on track and into college.

"Those experiences I had in care show me exactly who I don't want to be and what I don't want for my life, and I work very strongly with the Federation, to be able to make the system better for the kids."

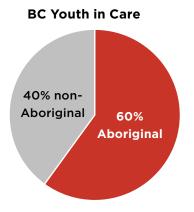
"I really want to change some policies or open people's minds to what it's really like."

Read Natasha's full story at still1in5.ca

Some 60% of youth in care in BC are Aboriginal, an over-representation that reflects the continued impacts of residential schools, as well as other historical and current harms from the experience of colonization, on BC's First Peoples.

Youth from care also carry the effects of having been in the foster care system and previous traumatic life experiences, translating into understandably higher rates of mental health problems, including suicide risks and street drug use.

Aging out into poverty and isolation only exacerbates such risks and needlessly robs these young people and our society of their potential contributions.



Over-representation of Aboriginal youth in care reflects the continued impacts of residential schools, as well as other historical and current harms from the experience of colonization, on BC's First Peoples.







#### SOME SUPPORTS IN PLACE, BUT SYSTEMIC CHANGE IS NEEDED

Youth Agreements, Agreements with Young Adults (AYAs), the Youth Education Assistance Fund, fee waivers at some post-secondary institutions and post-secondary bursaries are some of the main programs in place in BC to assist youth in and from care with the transition to adulthood.

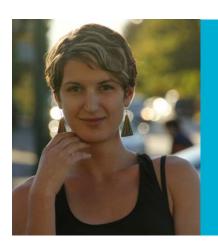
Too many youth who leave care at age 19, or go onto a Youth Agreement in their late teens, still face barriers to accessing the supports they need and inequities in the availability of these programs across BC.

Government recently announced an extension of AYA eligibility from 24 to a total of 48 months and from age 24 up to 26 years. Many non-profit organizations, such as the Federation of BC Youth in Care Networks, work hard to support youth as they transition out of care.

But too many youth who leave care at age 19, or go onto a Youth Agreement in their late teens, still face barriers to accessing the supports they need and inequities in the availability of these programs across BC. This is why the Fostering Change initiative's Write the Future petition focuses on broad systemic changes that need government support:

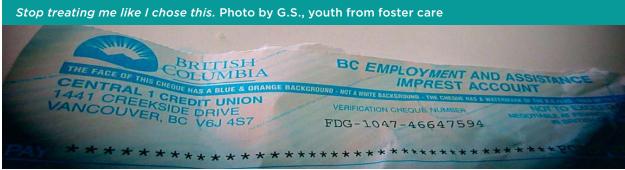
We believe youth aging out of foster care should be able to count on three things until age 25:

- 1. Consistent financial support with basic living costs like housing, transit and food while they attend school, learn skills and find work.
- 2. Long-term *relationships* with caring, dependable adults for support, advice and references, so that they always have somewhere to turn.
- 3. A chance to connect and contribute to their *communities* through creative, cultural and volunteer *activities*, so that they feel like they belong.



"When we recognize young people we take the first steps on an adventure with boundless possibility." —Rachel Malek, Representative for Children and Youth of B.C.'s Award of Excellence in Youth Leadership and BC Child and Youth in Care Superstar Award recipient.











"...young people in and from care are capable, strong, intelligent, creative, resilient, thoughtful, caring, and generous contributing members to their communities."

— Meredith Graham, BC Child and Youth in Care Courage to Come Back Award recipient



#### Life Is a Mystery

(excerpts from a poem by Meredith Graham)

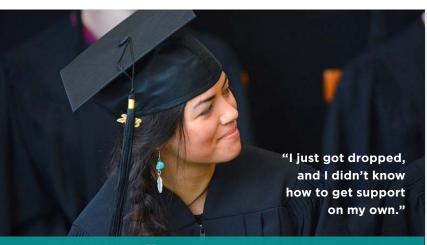
I know that I'm eighteen so it's expected of me to have all the pieces of my life and parts of my heart together. But I'm tethered, grounded, and surrounded only by fraying strings of duties and obligations always feeling like a burden. An impossible imposition.

I get it. I get it. Pretty soon I'll be on my own and then it's my sole responsibility to take care of me, alone, and what capacity for that do I have? But you have to understand that since I was birthed from my mother's womb I have been standing on my own. (...)

And when you are absolutely exasperated and have to ask yourself, "What am I going to do with you?"

Trust that love is the question and love is the answer.

Read and listen to the full poem by Meredith at www.still1in5.ca



### **Lorilynn's Story**

Lorilynn Grey entered foster care at age three along with one of her four siblings. Her journey took her through five different foster homes over the next four years. Now 19, Lorilynn recently aged out of BC's foster care system, and the memory of approaching that cliff is fresh.

"I had a social worker, a youth worker and a solid mental health team. It [aging out] really felt like I just got dropped, and I didn't know how to get support on my own."

Lorilynn describes her time in foster care as life in a bubble, one she entered when placed in the home of a heavily religious elderly couple. She and her sister were kept isolated and told what not to say during visits from social workers.

When she transitioned out of foster care, Lorilynn says, she wasn't ready for the real world or even to learn about her Aboriginal heritage, learning denied to her while in care. "I wanted to separate myself from that pain as much as I could."

Although she's found work, including on a project with the Canadian Federation of University Women working to extend support to youth in care to age 25, Lorilynn faces a precarious income situation in the coming months. "It's always having to pick and choose between things, or just accepting that I'm going to be late on rent, or that I might not eat this week ... It's definitely where a lot of stress in my life comes from."

Without the support someone with family would rely on, never mind time to be a teenager, Lorilynn faces steadily diminishing government support that could otherwise help young women be independent and thrive.

Is welfare an option? "Not yet," she laughs.

Read Lorilynn's full story at still1in5.ca



Placement in foster care at seven months should not have set Ashley Matheson up for years of setbacks amid ill-conceived policies and insufficient supports.

Moved to live with her grandmother at age three, at 16 Ashley returned to government care and a foster mother hated by the youth placed in her home. "When I moved into the house, I immediately kept calling my social worker, telling her every tiny little detail that was wrong with this woman. She removed me from the house, but it took six months."

Ashley spent the following two years on a Youth Agreement (YA) with the Ministry of Children and Family Development, treated like a member of the family by her landlord, the father of a school friend.

But when the ministry denied his requests for reimbursements, the friendship deteriorated and the door between Ashley's basement room and the family home was locked.

At 17, unable to find housing through her friends, Ashley returned to her grandmother, which automatically ended the YA support.

"My social worker told me I could do underage income assistance, which didn't give me very much, but it gave me enough to survive. I was 18 when I got pregnant with my son, and stayed on income assistance until I was 19, then moved in with his dad, who the welfare office suddenly appointed my common-law spouse after just a few months."

"When I was on income assistance three years ago I was getting child support, and they deducted it off my cheque every single time. It was so pointless I ended up not going on income assistance anymore, so then my only source of income was child support and the Canada child tax benefit."

"The only reason I'd consider going back on income assistance now is to get the medical and dental coverage for my son, who needs work done on his teeth."

Not only that, when Ashley was receiving monthly income assistance of just over \$300, Ashley was told she could earn up to \$500 a month before her welfare would be clawed back. But when she later brought in a paystub for \$400, rent and support cheques suddenly stopped coming and Ashley was told she retroactively owed the government money.

"I think it's stupid how they only just recently allowed people to accept child support as part of non-deductible income. I've been on and off income assistance for the past five years, because it's the only support I can get without working, because people don't hire me, which also sucks."

Now 23, Ashley lives with her 80-year-old grandmother and her four-year-old son who, unlike his mother, doesn't receive medical or dental coverage as a status First Nations person.

"The only reason I'd consider going back on income assistance now is to get the medical and dental coverage for my son, who needs work done on his teeth. But I can't get that unless I get a letter from my ex saying I have primary custody—which I don't, because he won't let me."

As she waits for an upcoming major surgery, Ashley offers optimism for the future: "My boyfriend is really supportive and we're talking about moving out together, but I want to be able to support myself first before that happens.

"Hypothetically, I could live with him because he has a job, but I don't want him to feel like he has to support us. I want to make it an equal 50-50 relationship where we both pitch in for things.

"I've still got some time to look for a job and find daycare, and actually I have a friend who's offered me a job, but it's in Surrey so then I would have to figure out daycare in Surrey. It's not too bad."

Read this and other stories at still1in5.ca



## **Child Poverty Across BC Regions**

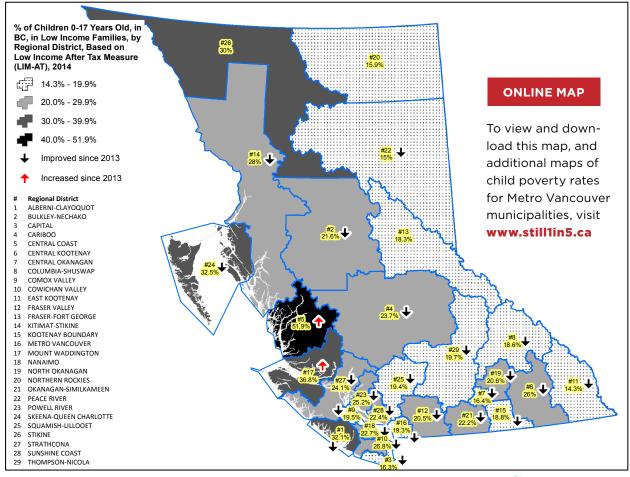
#### CHILD POVERTY BY REGIONAL DISTRICT

Child poverty affects children in every corner of British Columbia. According to 2014 taxfiler data and the Low Income Measure (LIM) after tax, over half (59%) of BC's regional districts had child poverty rates of 20% or higher, and nearly one third (31%) had rates over 25%.

22 out of the 29 regional districts in BC had at least 1,000 children living in poverty.

Every regional district except for Stikine (which only had a total of 200 children living there) had at least 100 children living in poverty, and the majority of the regional districts (22 out of 29) had at least 1,000 children living in poverty.

% of Children O-17 Years Old in BC in Low Income Families, by Regional District, Based on Low Income After Tax Measure (LIM-AT), 2014



Source Data: Statistics Canada, Income Statistics Division, 2014, Annual Estimates for Census Families and Individuals Table F-18 Family data - after tax low Income (based on after tax low income measures, LIMs) 2014

Notes: © This data includes information copied with permission of Canada Post Corporation









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The regional districts with the highest child poverty rates, and the only two to see increases between 2013 and 2014, were Central Coast (51.9%) and Mount Waddington (36.8%).

The map shows the child poverty rates for children 0-17, with the highest rates in the darker-coloured areas, and the lowest rates in the lighter-coloured areas. It also shows where the rate increased or decreased between 2013 and 2014. Between 2013 and 2014, most regional districts (24 out of 29) saw small decreases in their child poverty rates. The largest decrease was in Squamish-Lillooet at 1.8%.

The regional districts with the highest child poverty rates, and the only two to see increases between 2013 and 2014, were Central Coast (51.9%) and Mount Waddington (36.8%). Other districts with poverty rates at 30% or more included Alberni-Clayoquot (32.1%), Skeena-

Queen Charlotte (32.5%) and Stikine (30.0%). The regional districts with the lowest child poverty rates were East Kootenay (14.3%) and Peace River (15.0%).

#### CHILD POVERTY IN BC URBAN AREAS

Approximately 85% of the poor children in BC live in the 26 urban areas (census metropolitan areas, or CMAs). Based on 2014 taxfiler data and the LIM after-tax measure, child poverty affects children in every urban area in the province, though the poverty rates varied greatly across the urban areas in BC. The CMA map on the www.still1in5.ca website shows the number of children 0–17 in low-income families and the percentage of children living in poverty in each urban area.

Approximately 85% of the poor children in BC live in the 26 urban areas. Those with the highest child poverty rates are Duncan (31%), Port Alberni (30%) and Prince Rupert (30%).

The three urban areas with the highest child poverty rates — Duncan (31%), Port Alberni (30%) and Prince Rupert (30%) — had child poverty rates more than double the urban area with the lowest child poverty rate (Fort St. John, 12%). After Fort St. John, Squamish (15%) and Victoria (16%) had the lowest child poverty rates.

These large differences in child poverty rates represent preventable inequities for the children in the high poverty areas compared to other BC children, inequities that create risks to their health and many other aspects of their social and emotional well-being. A stronger social safety net of income supports and services are crucial in order to prevent these inequities from undermining children's development.

BC's urban areas vary greatly in terms of their overall child populations, ranging from 429,790 and 55,110 in Vancouver and Victoria, respectively, to Powell River with only 2,770 children. Therefore, the number of poor children by urban area was generally much more reflective of the total number of children living in each urban area than the child poverty rate in each area. For example, despite having the third-lowest child poverty rate, Victoria, with 8,700 poor children, had the greatest number of poor children of any urban area outside of Vancouver. Abbotsford-Mission (7,400 poor children) and Kelowna (5,430 poor children), which had the second- and third-largest child populations of any urban area outside of Vancouver, also had the second- and third-largest number of poor children of any urban area outside of Vancouver.



**ONLINE MAP** 

download

maps of child poverty rates in BC urban areas, visit

www.still1in5.ca







#### **CHILD POVERTY IN METRO VANCOUVER**

Metro Vancouver was home to 82,960 poor children in 2014, representing 51% of poor children in the province. These children were spread throughout every census tract in the region, with the majority of census tracts (78%) having at least 100 poor children. Overall, nearly one in five Metro Vancouver children (19.3%) were poor, just under the provincial average, with rates varying by census tract, or neighbourhood.

The Metro Vancouver map on the www.stilllin5.ca website shows the variation in child poverty rates by census tracts across the whole area, ranging from a high of 64.3% in Vancouver's Downtown Eastside to a low of 5.4% in Lynn Valley. Additional maps on the website also show the child poverty rates in each Metro Vancouver municipality.

In terms of the proportion of children living in poverty, Northeast Vancouver had the most severe child poverty situation. However, in terms of the total number of children living in poverty, the Guildford, Newton and Whalley areas of Surrey had the most severe child poverty situation—this was due to a combination of high child poverty rates and large numbers of children living in these areas.

It is true to say that every municipality in Metro Vancouver has child poverty challenges: in 2014, almost every municipality had at least one census tract with child poverty rates of 10% or more. In fact, most municipalities had multiple census tracts with child poverty rates of 20% or more.

Metro Vancouver was home to 82,960 poor children in 2014, representing 51% of the poor children in BC.













# **Growing Income Inequality: An Unequally Shared Pie**

In the past 25 years, income inequality in Canada has increased and continues to grow. The richest group of Canadians has increased its share of total national income, while the poorest and middle-income groups have been losing ground. International research shows that high rates of income inequality negatively affect both rich and poor people.

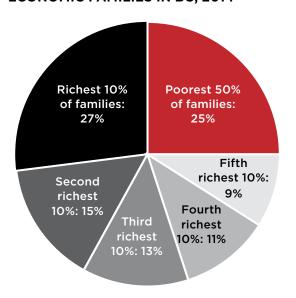
As shown in the following graph, in British Columbia in 2014, the richest 10% received 27% of all the income of economic families in BC.¹ The top five deciles (or top half) collected three quarters (75%) of all income received by BC families, leaving only 25% for the other half. Some families in the bottom half are poor, but many others are middle-class families living well above the poverty line.

The graph, using data from Statistics Canada, illustrates the total income shares of BC families. Total income refers to all income before taxes, including wages and salaries, and earnings from self-employment and investments. It also includes government benefits from the federal and provincial governments such as the Canada Child Tax Benefit, GST credits, Employment Insurance and welfare payments.

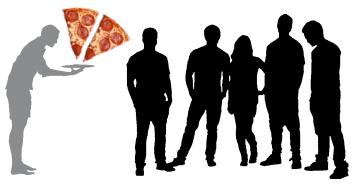


The richest 10% of BC families with children received 27% of the total income, while the poorest half of families shared 25%.

# PERCENTAGE OF TOTAL INCOME AMONG ECONOMIC FAMILIES IN BC, 2014



Source: Statistics Canada. Table 206-0031.



In the past 25 years, income inequality in Canada has increased and continues to grow. The richest group of Canadians has increased its share of total national income, while the poorest and middle-income groups have been losing ground.

1 An economic family refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law, adoption or a foster relationship. This includes families without children.







#### **INCOME INEQUALITY GROWTH OVER TIME**

Growing income inequality is driven by a disproportionate growth in income for BC's richest families, compared to lower-income families. After adjusting for inflation between 1989 and 2014, average total income for BC's richest 10% of families grew by 49%, while income for the poorest 10% grew by only 8%.

The table below shows how total income has changed for each of the 10% groups, or "deciles," between 1989 and 2014. Families in the richest decile gained an average of \$89,000 in annual income, compared to the paltry \$1,600 increase for families in the poorest decile over these 25 years.

# Changes in Average Total Incomes by Decile Group, Economic Families in BC, in Constant 2014 Dollars

Decile	1989	2014	Annual income gain	Rate of income growth
Decile 1: Poorest	\$19,800	\$21,400	\$1,600	8%
Decile 2: Second poorest	34,400	39,700	5,300	15%
Decile 3	48,400	53,300	4,900	10%
Decile 4	59,400	65,400	6,000	10%
Decile 5	70,700	79,300	8,600	12%
Decile 6	81,800	94,600	12,800	16%
Decile 7	94,000	109,800	15,800	17%
Decile 8	108,100	130,000	21,900	20%
Decile 9: Second richest	125,500	155,900	30,400	24%
Decile 10: Richest	182,400	271,400	89,000	49%
Average for economic families	82,500	102,100	19,600	24%

Source: Statistics Canada. Table 206-0031.

All provinces have grossly unequal income distributions, but in 2014 the distribution in BC was the most unequal of all provinces. The average income of the richest decile of families in BC was 13 times the average income of the lowest decile, or a ratio of 13 to one. At the other end of the scale was New Brunswick, with a ratio of nine to one.

The primary reason BC had the largest ratio was the very low incomes among families in the lowest decile: average income of the lowest decile families in BC (\$21,400) was the lowest of all provinces and below the Canadian average (\$24,200).









# Importance of Government Help: Public Policy Matters

# GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN CANADA

60,890 BC children were lifted out of poverty in 2014 thanks to government help.



Over two million
Canadian children
would have
been poor using
family market
income alone.
With federal and
provincial transfers,
the number of
poor children
was lowered to
1,302,330.

Federal and provincial government income support programs play a huge role in reducing child poverty in Canada. If parents had been forced to rely only on earnings, income from investments and other sources of market income to make ends meet, the proportion of children in poverty in Canada would have been 28.6% in 2014. Government transfers reduced the poverty rate to 18.5%—a reduction of 35%.

Over two million Canadian children would have been poor using family market income alone. With federal and provincial transfers, the number of poor children was lowered to 1,302,330.

#### **GOVERNMENT TRANSFERS REDUCE CHILD POVERTY IN BC**

Without government transfers, using only family market income, British Columbia's child poverty rate was 27.2% in 2014. It came down to 19.8% after government transfers, a reduction of 27%. A total of 224,150 BC children were poor using market income alone, and 163,260 were poor once transfers were added to family income, meaning 60,890 BC children were lifted out of poverty that year thanks to government help.

# GOVERNMENT TRANSFERS BY PROVINCE – HOW DOES BC COMPARE?

The graph on the following page shows the rate of reduction in child poverty in 2014 in Canada and individual provinces as a result of government transfers. Quebec and Prince Edward Island had the largest reductions. BC was among the provinces that did less to reduce their child poverty rates than the Canadian average of 35%.

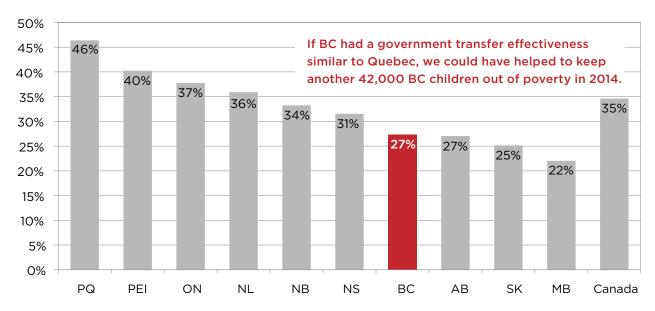
Although government transfers played an important role in reducing BC's child poverty rate, in six other provinces government transfers had a greater impact on reducing their child poverty rates in 2014. In Quebec, government transfers reduced the child poverty rate by 46%, keeping 197,470 children out of poverty. If BC had a government transfer effectiveness similar to Quebec, we could have helped to keep another 42,000 BC children out of poverty in 2014.







#### Percentage Reduction in Child Poverty Rates in 2014 Due to Government Transfer Payments



Source: Statistics Canada custom tabulation, data from T1 Family Files 2014

#### **HOW GOVERNMENT HELPS**

Federal and provincial child benefit programs are some of the most powerful programs helping reduce child poverty.

- For an update on the new Canada Child Benefit and the BC Early Childhood Tax Benefit, see page 35.
- The federal government also pays a quarterly GST credit to low-income families and individuals. Ottawa administers the Employment Insurance (EI) fund to assist Canadians who are temporarily out of work and to pay maternity and parental leave benefits. However, a declining proportion of the unemployed are eligible for EI. Additionally, the 55% benefit rate leaves lower-wage workers below the poverty line and means they have to return to work early from their allowed parental leave.¹
- The federal and provincial governments also provide a refundable Working Income Tax Benefit (WITB) for eligible families who are in the workforce. The 2015 upper-income threshold for this benefit for a family of any size with children in BC is \$28,813 per year.
- The BC government provides welfare payments for people who have exhausted other sources of income. Part of the cost of welfare is covered by the federal government through the Canada Social Transfer (CST). The CST is a government-to-government transfer designed to defray the costs to provinces of welfare and social services, early childhood development and early learning and child care, and post-secondary education. In 2015–16, BC is expected to receive \$1.75 billion under the Canada Social Transfer.

<sup>1</sup> Iglika Ivanova. Working Poverty in Metro Vancouver, Canadian Centre for Policy Alternatives, United Way of the Lower Mainland and BC Poverty Reduction Coalition, 2016.







#### **CANADA'S NEW CHILD BENEFIT**

Last year First Call recommended that the federal government implement their proposed Canada Child Benefit (CCB) with a maximum of \$6,800 per child under 6 and \$5,800 for children 6-17 years. In July 2016 the new CCB was implemented with a maximum of \$6,400 per child under 6 and \$5,400 for older children. Using the Low Income Cut-off after-tax measure, the federal government predicts this new



benefit will lift 292,000 Canadian children out of poverty by 2017. Curiously, their estimate for British Columbia is only 16,100 children (8,200 aged 0-5 and 7,900 aged 6-17), not including children living on-reserve.

The impact of this enhanced benefit was apparent in the calculation of regional living wages in BC for 2016. In Metro Vancouver, despite the steep increases in costs for child care, rent and food in the last year, the living wage did not increase because of the additional income used in the calculation from the first six months of this benefit.

This federal benefit will lose value over the next four years, as government does not plan to start indexing it until 2020.

#### **BC'S EARLY CHILDHOOD TAX BENEFIT**

The statistics in this report card do not yet include the impact of the new BC Early Childhood Tax Benefit (BCECTB) because it was implemented in

April 2015. The BCECTB offers a maximum of \$55 per month per child under age six, or \$660 per year. The BCECTB is reduced if the family's net income exceeds \$100,000 and will be zero once the family's net income exceeds \$150,000.

Quebec, Ontario and Alberta's child benefits are all larger than BC's annual amount and are indexed to inflation.

Ten other provinces and territories offer a provincial child benefit that lasts up to the child's 18th birthday, making a bigger lifetime investment in each child. Quebec, Ontario and Alberta's child benefits are all larger than BC's annual amount and are indexed to inflation. Ontario's is double and Quebec's more than triple the BC benefit amount.









# Recommendations: What Needs to Happen

#### **ACTION IS LONG OVERDUE**

The data and stories in this report document the scope of growing income inequality in British Columbia and the resulting continued high levels of poverty. They also illuminate the causes of child, youth and family poverty and the policy solutions that are available to us to address these root causes.

First Call recommends that the BC government adopt a poverty reduction plan with legislated targets and timelines.



Three resolutions promising to end poverty in Canada have been passed in the House of Commons since 1989, yet continued high poverty rates in Canada and BC expose the lack of political will to act on these promises by the governments in power in the intervening years. The BC government continues to deny the need for a provincial poverty reduction plan. However, the federal government has now committed to developing a national poverty reduction strategy. In this context, we offer the following recommendations as concrete steps that federal, provincial and local governments can take to reduce income inequality and reduce child, youth and family poverty.

#### FIRST CALL RECOMMENDS

First Call recommends that the provincial government adopt a comprehensive poverty reduction plan with legislated targets and timelines and a cabinet minister with the authority and responsibility to ensure government is achieving its targets on time. We recommend the plan contain a goal to reduce BC's child poverty rate to 7% or lower by 2020.

Recognizing that children of recent immigrants and refugees, Indigenous children, children of female lone-parent families, children in racialized families and children with a disability, are at greater risk of living in poverty, efforts should also be targeted to achieve major reductions in poverty levels for these populations.

There are many actions that federal, provincial and local governments can take to achieve this poverty reduction goal:

- 1. The provincial government should raise the **minimum wage** to make sure the lowest-paid workers earn more than a poverty wage if they work full time, full year. The minimum wage should rise to \$15 an hour as soon as possible and be indexed annually to the cost of living. All workers in BC should be covered by this minimum wage.
- 2. Governments at all levels should ensure their direct and contract employees are paid a **living wage** that allows them to meet their basic needs, properly support their children and avoid chronic financial stress.







- The provincial government should significantly raise **income and disability** assistance rates to bring them in line with actual living expenses and index them to inflation. The government should bring back the \$45-per-year bus pass and Special Transportation Subsidy for people with disabilities and introduce a rural transportation subsidy for those living outside the areas where these programs operate.
- 4. P The provincial government should expand the **post-secondary** program options eligible for support under the Single Parent Employment Initiative and, in the absence of enhancements to BC's refundable post-secondary grants, allow all those on income assistance to retain benefits while attending a post-secondary institution.
- 5. The provincial government should redesign the BC Early Childhood Tax Benefit into a **BC Child Benefit** covering children under 18 and double the maximum benefit to \$1,320 per child per year.

Area of responsibility:

F

**Federal** 

Р

**Provincial** 

L

Local

- The federal government should ensure the new **Canada Child Benefit** reduces the child poverty rate by 50% in 5 years, implement indexation immediately and ensure access to the benefit for families living at higher rates of poverty.
- 7. Guided by the calls to action in the report of the Truth and Reconciliation Commission of Canada, and the rulings of the Canadian Human Rights Tribunal, the federal and provincial governments should immediately increase **funding for First Nations** child welfare, education and community health services and services for urban Indigenous people, and develop a long-term poverty eradication strategy in collaboration with First Nations and other Indigenous organizations and communities.
- 8. The provincial government should implement the \$10aDay Child Care Plan, put forward by the Early Childhood Educators of BC and the Coalition of Child Care Advocates of BC, to establish universal access to high-quality, affordable child care for BC children and families. The federal government should support this initiative with a national early childhood education and care program which includes a well-developed policy framework based on the same principles, is guided by targets and timelines and supported by long-term, sustained funding.
- 9. The federal government should increase the **maternity and parental leave** benefit level to 70% of employment income and reduce qualifying hours to 300 over the best 12 weeks of the 12 months of work. All new parents (regardless of work status) should be included, and a secondary caregiver benefit should be developed to address gender disparities in care work within households.
- 10. The provincial government should ensure all **youth aging out of care** can count on consistent financial support for basic living costs and long-term relationships with caring, dependable adults for support, advice and references, until the age of 25. Provincial and local governments should ensure all youth aging out of care have a chance to connect and contribute to their communities through creative, cultural and volunteer activities, so that they feel like they belong.







- 11. The provincial government should provide additional funds to social service agencies and non-profit housing societies to provide housing and other supports to **queer and transgender youth** at risk of homelessness and social exclusion due to the loss of family support.
- 12. The federal government should allow **grandparents on CPP Disability** who are raising their grandchildren to continue to receive the children's benefit after they turn 65.
- The federal and provincial governments should intensify their efforts to help **immigrants** and refugees adjust to life in Canada by enhancing employment assistance, removing long-standing barriers to qualification for professionals trained abroad, making more language training available, and improving employment standards and human rights protections and enforcement.
- 14. The federal government should extend the program that waives **transportation loans** for Syrian refugees travelling to Canada to all new refugees and immediately cancel all outstanding transportation loan debt.
- The federal and provincial governments should do more to improve access to **post-secondary education** by further removing financial barriers for low-income students and lowering student debt levels beyond the measures announced by the Canadian government in July 2016. Policy options include reducing tuition fees, providing lower-income students with more grants instead of loans and making student loans interest-free.
- The provincial government should immediately restore the Education Guarantee to reinstate tuition-free **adult basic education**, to enable adults to upgrade courses needed for entry into post-secondary programs and to learn English as an additional language.
- 17. The federal government should enhance **Employment Insurance** to expand access, duration and levels of benefits. Reduce the number of qualifying hours to 360 for all workers and enhance benefit levels over a longer benefit period of 50 weeks.
- The federal, provincial and local governments should increase their efforts to provide **housing** for low-income people. This should include building more social and affordable rental housing and maintaining existing affordable housing stock to reduce the number of families in core housing need and to eliminate homelessness. The national housing strategy must include a long-term funding commitment to meet these goals. Provincial government action must include enhancing and expanding rental subsidies and other income supports to families living in or near poverty to reduce housing insecurity.
- 19. The federal and provincial governments should work together to introduce **universal** coverage for all Canadians for prescription drugs, dental care and eye care as essential aspects of health care.
- The provincial government should create an independent commission on **tax reform** to study taxes levied in BC and recommend ways to make the tax system fairer and reduce income inequality. The federal government should also address growing income inequality by continuing to restore fairness to the personal income taxation system and re-introducing the principle of taxation based on ability to pay.







### **APPENDIX 1**

#### DATA AND MEASURES OF POVERTY

This report uses data from 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. Statistics Canada data on low income always have a 2-year time lag, thus the data in the 2016 BC Child Poverty Report Card is for 2014, or earlier in some cases, if newer data has not yet been made available.

The T1FF is built from personal income tax and the Canada Child Tax Benefit (CCTB) records, and is inclusive of reserves and children in institutional settings. The T1FF provides limited demographic information about tax filers beyond age, gender and family composition. Following the release of data from 2016's Long-Form Census, First Call and Campaign 2000 will be able to report again on poverty experienced by 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 and inequities.

Canada does not have an official way of measuring poverty, but Statistics Canada does produce three main measures of low income: the Low Income Cut-Offs (LICOs), beforeand after-tax versions, the Low Income Measures (LIMs), before- and after-tax versions, and the Market Basket Measure (MBM).<sup>2</sup>

This year's report features the LIM after tax, a measure we have used for the *BC Child Poverty Report Card* for the past two years. The LIM is a relative measure of poverty and it is a fixed percentage (50%) of median adjusted household income that takes household size into account. It is also internationally comparable.

The following chart contains the Low Income Measure after tax used in this report card for different family sizes based on the number of adults and children in each family type.

#### Statistics Canada's Low Income Measures for 2014 (After Tax)

Number of adults*	Number of children less than 16 years of age					
	0	1	2	3	4	
1	17,824	24,954	30,301	33,866	39,213	
2	24,954	30,301	35,648	40,995	46,342	
3	32,083	37,430	42,778	48,125	53,472	
4	39,213	44,560	49,907	55,254	60,602	

<sup>\*</sup> Includes parents/spouses, children 16 years of age and over and the first child in lone-parent families regardless of age.

Source: Statistics Canada T1 Family File 2016 User's Guide

<sup>2</sup> A detailed description of each measure can be found in the Statistics Canada publication, Low Income Lines, 2012-2013; www5.statcan.gc.ca/olc-cel/olc.action?Objld=75F0002M2014003&ObjType=46&lang=en







<sup>1</sup> Statistics Canada (July 2016). Annual Income Estimates for Census Families and Individuals (T1 Family File) Family Data User's Guide. Income Statistics Division.

#### **OUR MEMBERS**



ACT - Autism Community Training

Adoptive Families Association of BC

Affiliation of Multicultural Societies & Service Agencies

Alternate Shelter Society

Association for Community Education BC

Association of Neighbourhood Houses of British Columbia

Autism Society of BC

Baobab Inclusive Empowerment Society

BC Aboriginal Child Care Society

BC Association for Child Development & Intervention

BC Association of Family Resource Programs

BC Association of Pregnancy Outreach Programs

BC Association of Social Workers

BC Confederation of Parent Advisory Councils

BC Council for Families

BC Crime Prevention Association

BC Federation of Foster Parents Association

BC Government & Service Employees' Union

BC Play Therapy Association

BC Recreation and Parks Association

BC Retired Teachers' Association

BC Schizophrenia Society

**BC Society of Transition Houses** 

BC Teachers' Federation

Big Sisters of BC Lower Mainland

Boys and Girls Clubs of BC

Breakfast for Learning

Cameray Child & Family Services

Canadian Association for Young Children

Canadian Federation of Students - BC

Canadian Mental Health

Association BC

Canadian Red Cross – Respect Education

Capilano Students' Union Centre for Child Honouring

Centre for Israel and Jewish Affairs

Cerebral Palsy Association of BC

Check Your Head: The Global Youth Education Network

Child and Youth Care Association of BC

Children's and Women's Health Centre of BC

Coalition of Child Care Advocates of BC

Columbia/Kootenay Advocacy and Education Resource Society

Communities that Care - Squamish

Community Action Toward Children's Health

Council of Parent Participation Preschools BC

Deaf Children's Society of BC

Developmental Disabilities

Association

Directorate of Agencies for School Health BC

Early Childhood Educators of BC

East Kootenay Childhood Coalition

Elizabeth Fry Society of Greater Vancouver Family Services of

Greater Vancouver

Federation of BC Youth in Care Networks

Federation of Community Social Services BC

Five Family Place Partnership - MPFCS

Health Officers' Council of British Columbia

Helping Spirit Lodge Society Hospital Employees' Union

Immigrant Services Society of BC

Inclusion BC

Indigenous Perspectives Society

Justice Institute of BC Kamloops and District Elizabeth Fry Society Learning Disabilities

McCreary Centre Society

Métis Commission for Children & Families BC

Mom to Mom Child Poverty Initiative

Association of BC

MOSAIC

National Council of Jewish Women of Canada - Vancouver Section

Pacific Association of First Nations Women

Pacific Community Resources Society

Pacific Immigrant Resources Society

Parent Support Services Society of BC

PeerNetBC

Penticton & District Community Resources Society

Phoenix Human Services Association

PLEA Community Services Society of BC

Progressive Intercultural Community Services Society

Provincial Association of

Residential & Community Agencies

Public Health Association of BC Single Mothers' Alliance of BC

Social Planning & Research

Council of BC

Society for Children and Youth of BC

S.U.C.C.E.S.S.

Summit Negotiations Society

Sunshine Coast Community Services Society

Take a Hike Youth At Risk Foundation

United Way of the Lower Mainland

University Women's Club of Vancouver

Vancity Community Foundation

Vancouver Coastal Health Authority - Population Health

Vancouver Community College - Early Childhood Care & Education, Cont. Studies

Victoria Child Abuse Prevention & Counselling Centre

West Coast Legal Education and Action Fund

Westcoast Child Care Resource Centre

Westcoast Family Centres Society

Western Society for Children

Women Against Violence Against Women

YWCA Metro Vancouver

#### JOIN THE FIRST CALL COALITION

If you are a British Columbia-based organization that believes in putting children and youth first, we invite you to join the First Call coalition.

We offer members the opportunity to be a part of a strong and effective cross-sectoral coalition of provincial and regional organizations who put children and youth first through public education, community mobilization and public policy advocacy. First Call coalition members are united in their commitment to the 4 Keys to Success for Children and Youth, which we welcome you to explore here: firstcallbc.org/about-us/our-approach

Together in the First Call coalition, we share information, provide our members with tools and resources and advocate collectively for BC's children and youth.

If you are interested in joining our coalition, see the **member registration form** at firstcallbc.org/our-coalition/join-the-coalition.

For more information, please email us at info@firstcallbc.org and we'll be in touch shortly.



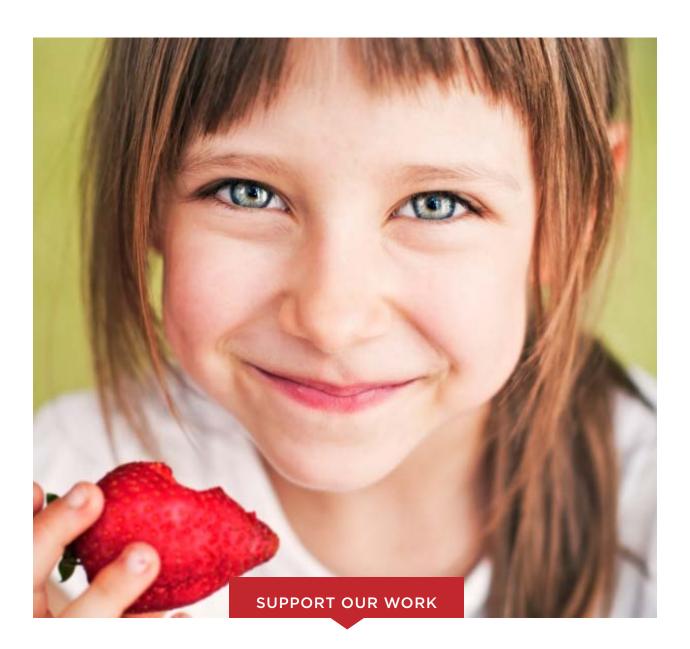
"First Call is unique in Canada in bringing organizations and people from many sectors together to focus on advocacy for children and youth.

Since its inception in 1991, it has created a coalition of professional and community advocates in support of a prevention and investment agenda for children and youth including but not limited to health, education, social services, youth justice, child protection and anti-poverty groups.

The breadth and depth of these partnerships have provided comprehensive expert advice to successive provincial and federal governments about the needs of BC's children, youth and families and examples of best practices in service delivery."

-Mary Ellen Turpel-Lafond, BC's Representative for Children and Youth (2006-2016)







First Call's annual Child Poverty Report Cards have helped countless individuals & groups like YOU advocate for BC's children & youth.

Help support our work by making a donation at firstcallbc.org



First Call: BC Child and Youth Advocacy Coalition is a non-partisan coalition of over 95 provincial and regional organizations who have united their voices to **PUT CHILDREN AND YOUTH FIRST** in BC through public education, community mobilization and public policy advocacy.

**OUR VISION** is that all BC's children and youth have the rights, opportunities and resources required to thrive.

First Call's work is guided by the 4 KEYS TO SUCCESS for children and youth:

- 1. A strong commitment to early childhood development
- 2. Support in transitions from childhood to youth to adulthood
- 3. Increased economic equality
- 4. Safe and caring communities

First Call puts children and youth first through 3 STRATEGIES:

- Public Education: First Call works to raise the public profile of child and youth issues through public education, including our weekly child and youth sector newsletter, public presentations, regular media commentary, and the publication of research reports.
- Community Mobilization: First Call works to mobilize local and provincial support for children and youth through coalition and Early Childhood Development Roundtable meetings, campaigns for public policy changes, and developing advocacy tools.
- 3. Public Policy Advocacy: First Call advocates for public policies and the allocation of resources for the benefit of children and youth through annual provincial and federal budget submissions, regular correspondence and dialogue with government decision-makers, producing this annual BC Child Poverty Report Card and by hosting the Living Wage for Families Campaign.

First Call's charitable activities are hosted by the Vancity Community Foundation.

### putting children and youth first

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