

# The 2016 Report Card on Child and Family Poverty in Nova Scotia

Another Year, No Improvement

Lesley Frank





**CCPA**  
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**CAMPAIGN 2000**  
**END CHILD & FAMILY**  
**POVERTY**

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5	<b>Introduction</b>
7	<b>Background: How Is Child Poverty Measured?</b>
8	<b>The Record 1989–2014: No Change in the Child Poverty Rate Since Last Year – Still Higher Than 1989</b>
11	<b>Understanding What Contributes to Child and Family Poverty</b>
20	<b>Ending Child and Family Poverty</b>
26	<b>Conclusion</b>
28	<b>Appendix A: Methodological Note</b>
29	<b>Notes</b>



# Introduction

This House seek(s) to achieve the goal of eliminating poverty among Canadian children by the year 2000.

—*House of Commons, November 24, 1989*

CHILD AND FAMILY poverty is a social problem rooted in structures of inequality both economic and political. It is primarily measured by examining economic factors related to family income, either by comparing the incomes of Canadians, or in comparing incomes to the cost of necessities for daily living. Poverty is not just a measure of income however; it is social condition that is manifested in a multitude of ways in daily family life and is experienced by parents and children. Parents struggle to make school lunches, pay for school supplies and fees throughout the year, support their children in activities and sports, and to buy winter coats and boots. It is difficult for many to keep vehicles in working order, afford the minimum delivery of home heating oil, or pay childcare fees (even with subsidies). After paying housing costs, there is little money left over for food. The 2016 Hunger Counts Report revealed an alarming increase in the number of food banks users in Nova Scotia. In fact, Nova Scotia experienced the highest increase in numbers of people served from 2015–16 (20.9% increase) – 30.4% of users being children.<sup>1</sup> Habitual struggles lead to social exclusion, high levels of stress, and negative health outcomes for both parents and children. The cost

of poverty for society is significant. Income, housing, and food security are essential for social wellbeing and social and economic prosperity. How we address (or do not address) these needs through social welfare programs and economic and labour policies are political decisions entrenched with beliefs about what is best for the economy and thus best for society. This means that public policy itself can be a root cause of poverty.

It has been 27 years since the resolution to end child poverty by the year 2000 was passed unanimously in the Canadian House of Commons. Child poverty rates in Nova Scotia and across Canada have fluctuated over the years since this resolution, but the goal was never achieved. Child poverty statistics report on the number and percentage of children that live in families with income below a particular income threshold. Thus child poverty does not exist outside of family poverty. Child poverty rates mirror Canada's weakening commitment to social welfare more broadly — typified by a reduction in social expenditures in the 1970s, a steady erosion of social programs in the 1980s, and a persistent dismantling of Canada's social welfare system from the 1990s onward. They also mirror growing inequality in family income and wealth. The child poverty rate today is in fact higher than it was in 1989, the year this resolution was passed. There has been a promise of Federal leadership on this issue through the new Ministry of Families, Children, and Social Development. There have also been changes made to federal transfer payments to families aimed at reducing child poverty. Similar cash transfers have been effective in lowering child poverty in the past; however, it will be a couple of years before data are available to measure the adequacy of the most recent changes. Given the depth of poverty faced by so many families, much more federal and provincial investment in families and children will be necessary to prevent child and family poverty and reverse the damage of steady chipping away of collective responsibility for their well-being.

# Background: How Is Child Poverty Measured?

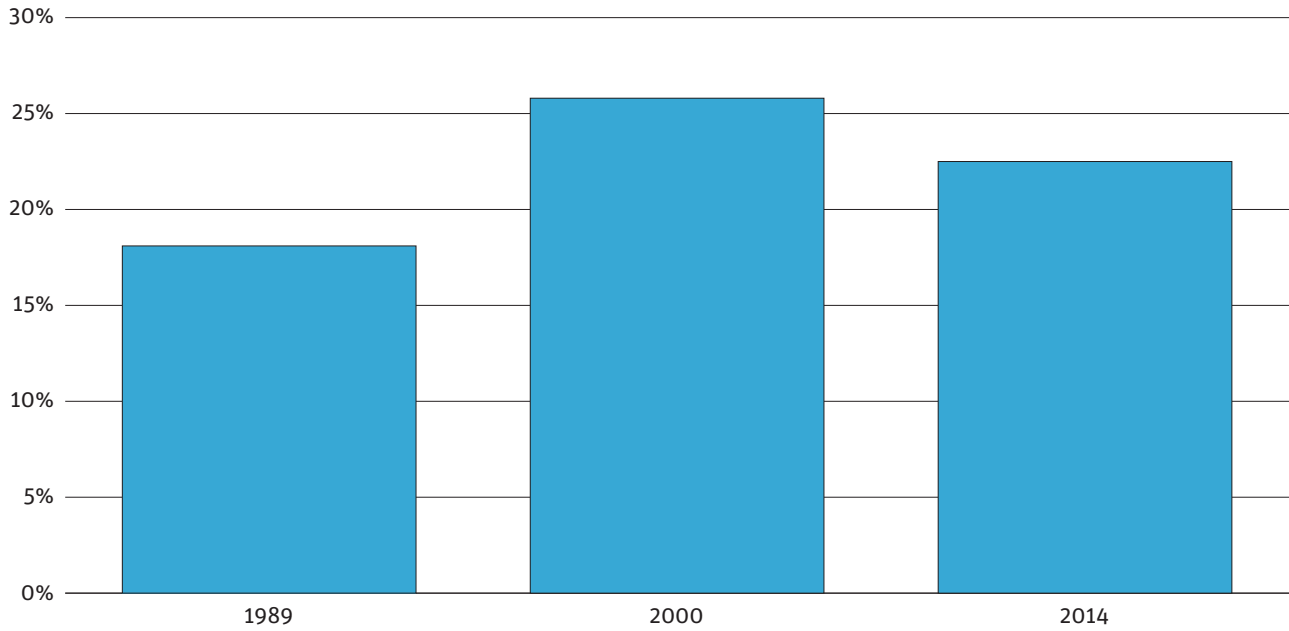
IN CANADA, THERE are three widely used measures to track poverty statistics: the Low Income Measure, the Low Income Cut-Off, and the Market Basket Measure. For the purposes of the current report card, the After-Tax Low Income Measure (AT-LIM) for children under the age of 18 is used to calculate the percentage and number of children living in poverty in Nova Scotia. The AT-LIM is a relative measure of poverty that determines poverty thresholds set at 50% of the median Canadian income. After taking taxes and benefits into account and adjusting for family size and composition, those with incomes below this threshold are considered low-income. The AT-LIM is the most recognized measure of poverty internationally. It is used by UNICEF, the Organization for Economic Cooperation and Development, and the European Union. As UNICEF explains this poverty rate, it captures: **“the proportion of children who are to some significant extent excluded from the advantages and opportunities which most children in that particular society would consider normal.”**<sup>2</sup> Most of the poverty statistics in this report, therefore, are based on this low-income measure for 2014 (the most recent year for which data is available), unless otherwise noted. For actual poverty thresholds based on the LIM-AT see Appendix A.

# The Record 1989–2014: No Change in the Child Poverty Rate Since Last Year – Still Higher Than 1989

*FIGURE 1* SHOWS child poverty rates in Nova Scotia for three key years: 1989—the year the promise was made; 2000—the goal year for eradication of child poverty; and 2014—the year for which we have the most recent statistics. In 1989, the child poverty rate was 18.1 % (41, 910 children). By the year 2000, despite the promise of child poverty eradication, the child poverty rate rose by 42.5%, when as many as 1 in 4 (25.8%) Nova Scotian children were living in poverty (53, 920 children). In 2014, 22.5% of Nova Scotian children were living in families with incomes below the AT-LIM. **This means that 37,450 children or more than 1 in 5 children in Nova Scotia were living in poverty in 2014.** There was no change in the child poverty rate in Nova Scotia since the 2015 Nova Scotia Child and Family Report Card, which reported the same rate of 22.5%. Comparing the child poverty rate in the year 2000 to the rate in 2014, we see a 13.9% decrease. However, the percentage of children living in low-income circumstances in 2014 is still **24.3% high-**

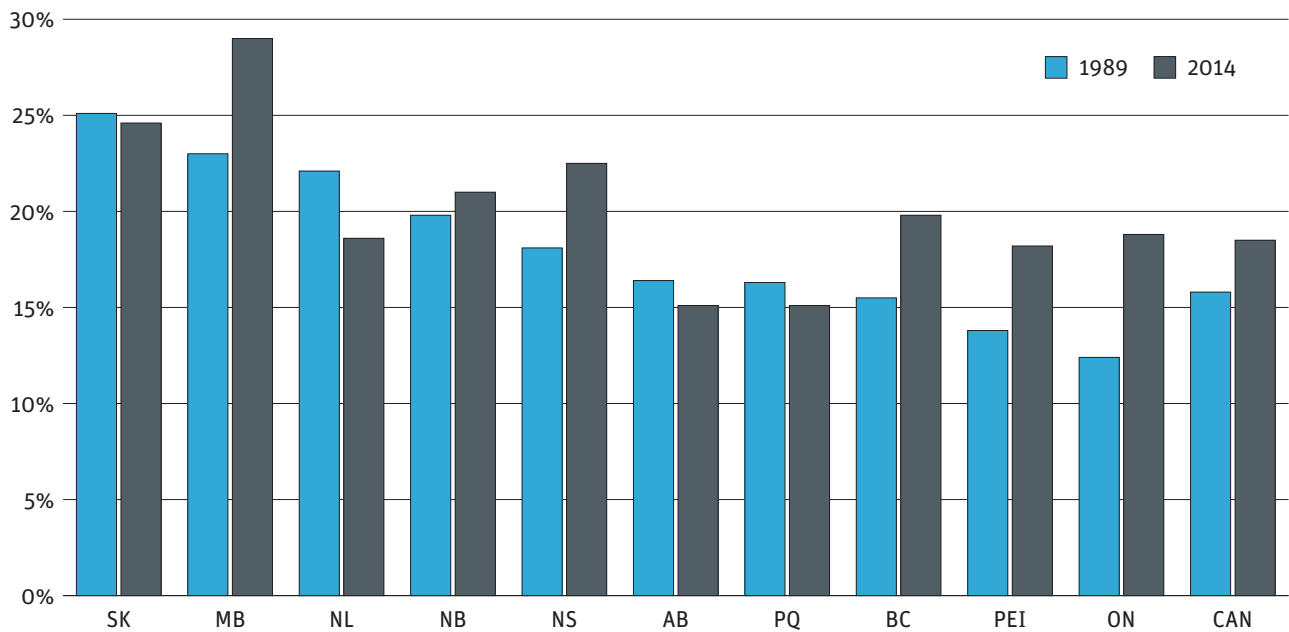


**FIGURE 1** Child Poverty Rate (AT-LIM), Nova Scotia, 1989, 2000, 2014



Prepared using Statistics Canada CANSIM Table 111-0015, 2014

**FIGURE 2** Child Poverty Rates, By Province, (AT-LIM), 1989 and 2014



Prepared using Statistics Canada CANSIM Table 111-0015, 2014

**er than it was in 1989 — when the promise to eradicate child poverty was made.**

*Figure 2* uses the AT-LIM to record the overall increase or decrease in child poverty rates between 1989 and 2014 in each province and in Canada as a whole. In 1989 Nova Scotia had the fifth-highest percentage of children living in poverty. By 2014, with the **third-highest provincial child poverty rate**, and the **highest rate in Atlantic Canada**, we lost ground relative to other provinces. Between 1989 and 2014, child poverty rates decreased in four provinces (Newfoundland and Labrador, Quebec, Saskatchewan, and Alberta), and rates increased in six provinces (Ontario, Prince Edward Island, Manitoba, Nova Scotia, New Brunswick, Saskatchewan, and British Columbia). The net result for Canada was an overall percentage *increase* of 17.1 (from 15.8 % in 1989 to 18.5 % in 2014). Since our last report card, while there was a slight reduction in child poverty nationally, the rate for Nova Scotia did not improve.

# Understanding What Contributes to Child and Family Poverty

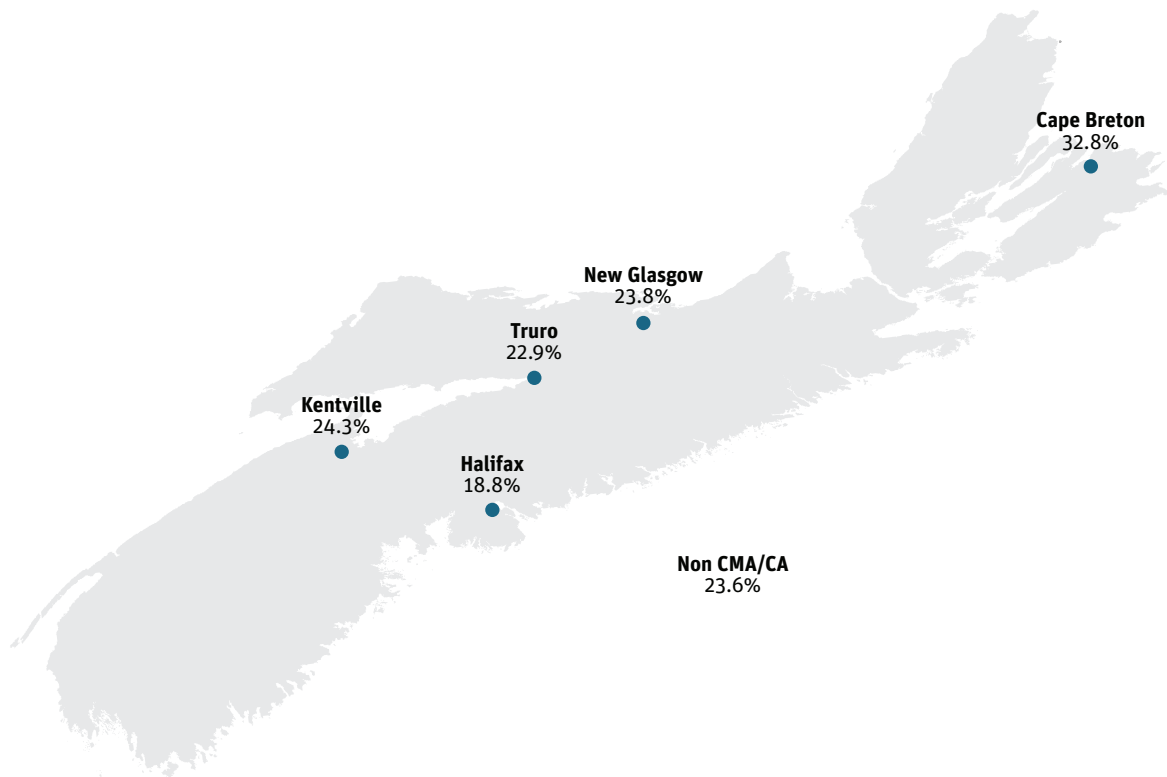
SOME FAMILIES AND children face higher risks of poverty and greater depths of poverty compared to others. As *Figure 3* shows, poverty rates vary by geography. Where a family lives has the potential to impact family income due to access to employment, and access to services that support labour force participation (transportation services, childcare). There are stark differences in child poverty rates by community and poverty rates vary by family configuration. Child Poverty rates are higher for indigenous children, racialized children, and children with disabilities.

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## Child Poverty Rates Within Nova Scotia

*Figure 3* illustrates that within Nova Scotia, the child poverty rate varies by geography. *Figure 3* shows the differences based on Statistics Canada's Census Areas (CAs), of which there are 5, and Nova Scotia's one Census Metropolitan Area (CMA) of Halifax. The lowest rate of child poverty is in the CMA of Halifax (18.8%). The child poverty rates are highest in the Cape Breton CA where astonishingly, 1 in 3 children (32.8%) are living below the After-Tax (LIM) – **up from 32.4% in 2013**. 2014 Rates in Kentville (24.3%), New

**FIGURE 3** Child Poverty Rate by Census Area



Glasgow (23.8%), and Truro (22.9%) were slightly lower from 2013 rates, and Non-CMAs/CAs rates were slightly higher than they were in 2013 (23.6%).<sup>3</sup>

### Disparity in Community Child Poverty Rates

Stark disparities of child poverty between communities are hidden when poverty rates are calculated for larger regions as a whole. *Table 1* provides available child poverty rates by the Nova Scotia postal cities.<sup>4</sup> **Child poverty rates range from as low as 5% in Hammonds Plains to as high as 75.6% in Eskasoni. Six communities have child poverty rates over 30%—five in Cape Breton (Glance Bay, New Waterford, North Sydney, Sydney Mines, and Eskasoni) and the other in Yarmouth (41.8%). The child poverty rate in Eskasoni points to the extremely high poverty rates among indigenous children in Canada.**<sup>5</sup>

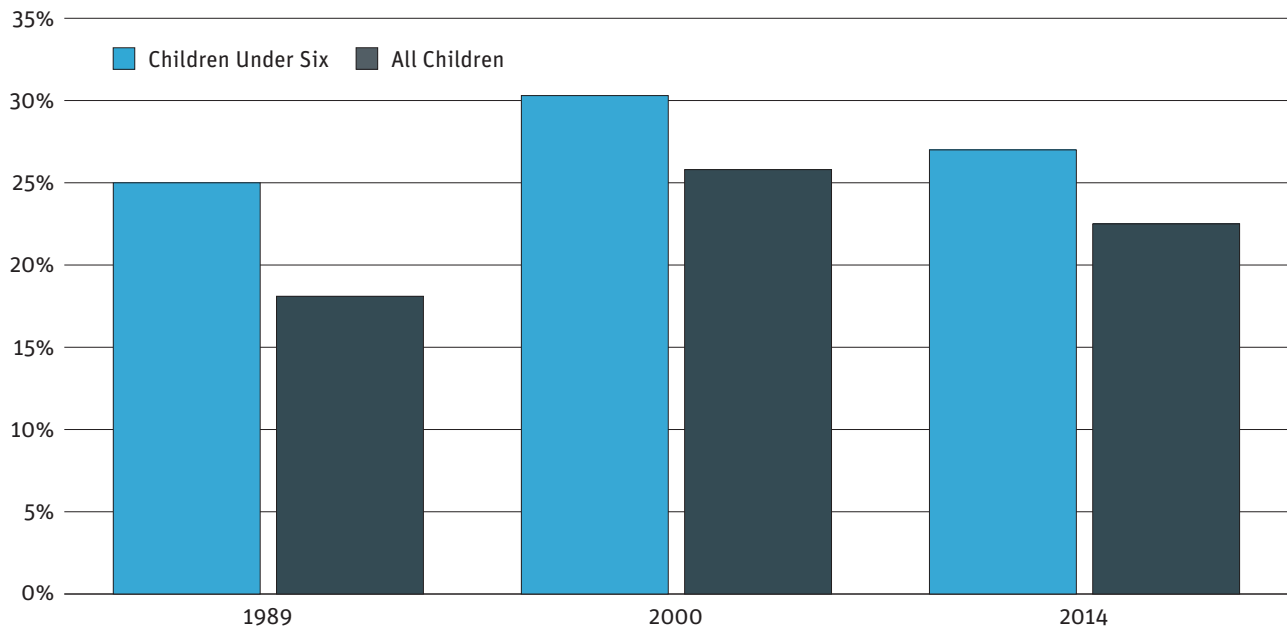
**TABLE 1** Child Poverty Rate by Community

Community	Poverty Rate, Children 0–17	Community	Poverty Rate, Children 0–17
Amherst	28.2	Kentville	25.8
Antigonish	14.8	Lower Sackville	20.4
Beaverbank	9.9	Middle Sackville	11.1
Bedford	14.6	New Glasgow	22.3
Bridgewater	26.8	New Waterford	37.0
Coldbrook	11.3	North Sydney	31.5
Dartmouth	22.2	Sydney	27.2
Eastern Passage	11.8	Sydney Mines	31.7
Eskasoni	75.6	Timberlea	7.5
Glace Bay	35.6	Truro	27.9
Halifax	28.2	Wolfville	25.7
Hammonds Plains	5.0	Yarmouth	41.8

### Indigenous Children, Racialized Children, Immigrant Children, and Children with Disabilities

Geographic community level data still masks disparities among people in those communities. The 2006 Canadian Census allowed for comparison of child poverty rates for identified groups. There has been a 10-year gap in this data collection due to the suspension of the mandatory Long Form Census in 2010. Data from 2006 showed that children of aboriginal identity, racialized children, children with disabilities, and immigrant children reported as much as three-fold higher poverty rates within these groups than children as a whole. Using 2011 National Household Survey, MacDonald and Wilson reported on indigenous child poverty since 2006, noting that the child poverty rate for on-reserve First Nations children continued to worsen in Canada and was at 60% in 2010.<sup>6</sup> Additionally, 40% of indigenous children live in poverty in Canada. We also know that child poverty rates continue to be higher for immigrant children and racialized children.<sup>7</sup> Children with disabilities are twice as likely to live in households relying on social assistance and families of children with disabilities are more likely to live in poverty due to increased time away from work.<sup>8</sup>

**FIGURE 4** Child Poverty Rate for Children Under 6 Compared to All Children (AT-LIM), Nova Scotia 1989, 2000, 2014



Source: Statistic Canada, Income Statistic Division, T1 Family File, 1989, 2000, and 2014, Reference 160609

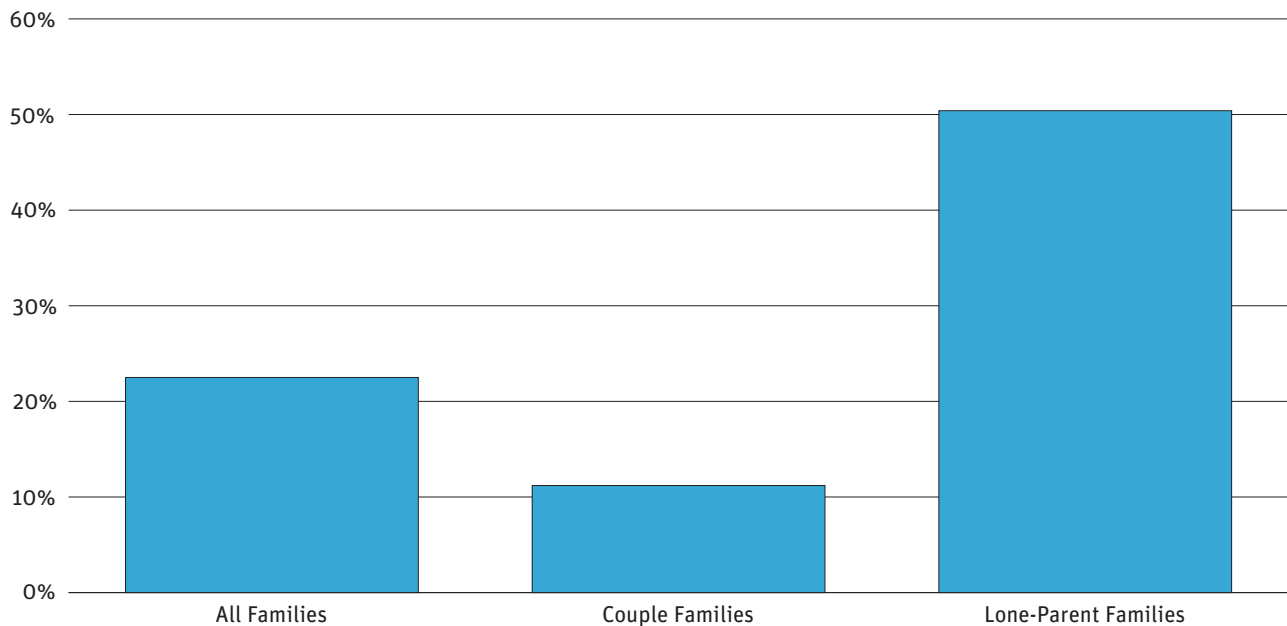
## Young Children

Figure 4 shows the child poverty rate for children under six in 1989, 2000, and 2014. It demonstrates that poverty rates for younger Nova Scotian children were higher in all three years than they were for all children under 18 (see Figure 1). In 2014, for children under 6 in Nova Scotia, the child poverty rate was 27%, close to one in three young children, compared to 22.5% of all children. Research is needed on the effects of early parenting on household income, however we do know that maternity and parental leaves entitlements amount to only 55% of earned wages, should you even be eligible for them. Lack of affordable childcare is likely to impede work when childcare cost per month can equal the majority of earnings of minimum wage full time employment.

## Lone Parent Families

Figure 5 shows that children living in lone-parent families experience a much greater likelihood of living in poverty than children living in couple fam-

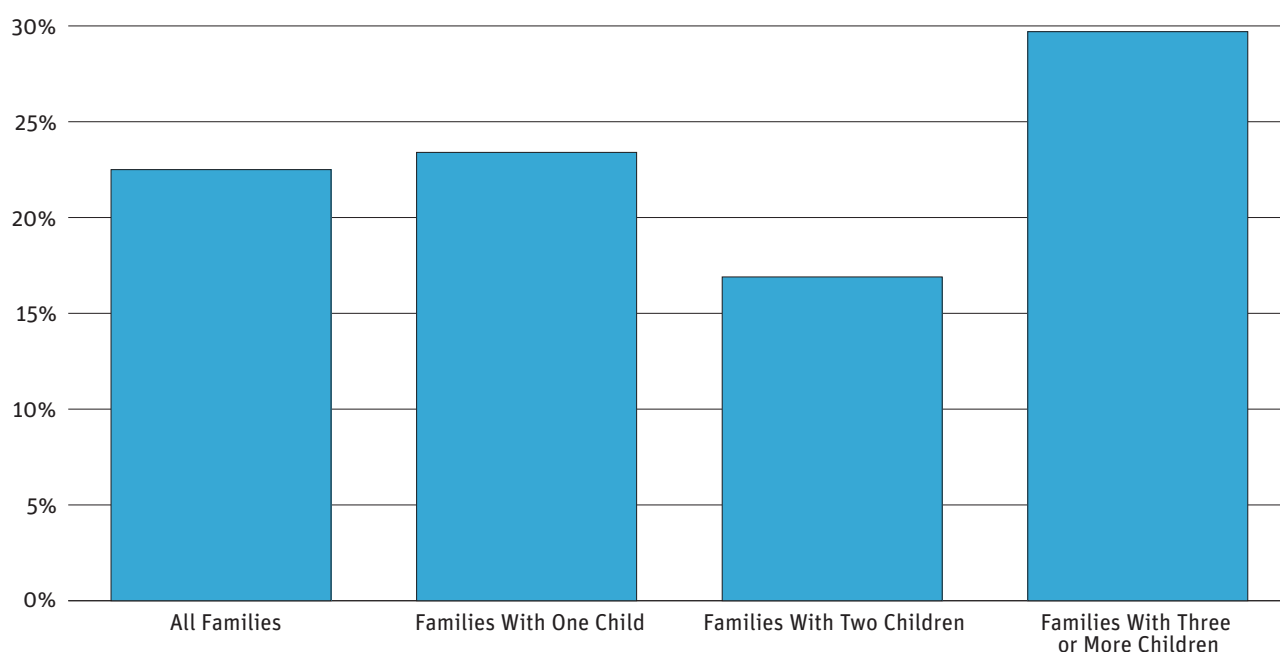
**FIGURE 5** Child Poverty Rate (AT-LIM) by Family Type, Nova Scotia, 2014



Prepared using Statistics Canada CANSIM Table 111-0015, 2014

ilies. In 2014, **half** (50.4 %) of the children living in lone parent families in Nova Scotia lived below the AT-LIM (24, 230 children) compared with 11.2% of children living in couple families (13, 230 children). While there is no recent data that compared female-lead lone parent families to male-led, figures from 2011 show that 45% of female-headed lone parents families were living in low-income circumstances compared to 23.7% in male-led.<sup>10</sup> We also know that 83.2% of lone parent families are female-led.<sup>11</sup> While higher poverty rates in lone parent families can partly be explained by the challenge of only having one earner in a household, there are also gendered dynamics of work at play. More than 70% of mothers work in Nova Scotia; in 2013, 78.7% of mother with children aged 0–5.<sup>12</sup> Women are less likely to be employed full time than men, and more likely to juggle multiple jobs at a higher rate than men (57.8% compared to 42.2%).<sup>13</sup> Women also continue to experience employment and wage discrimination. The Nova Scotia median hourly wage for females in 2014 was \$17.80 compared to \$20.00 for males (earning on average \$15,000 less per year). Thus in many cases child poverty is intricately linked to the dynamics of women’s poverty and the gender discrimination they face across their lifespan that has a strong influence on the kind of education and training they take, to the kinds of jobs they occupy.

**FIGURE 6** Child Poverty Rate (AT-LIM) by Family Size, Nova Scotia, 2014



### Larger Families

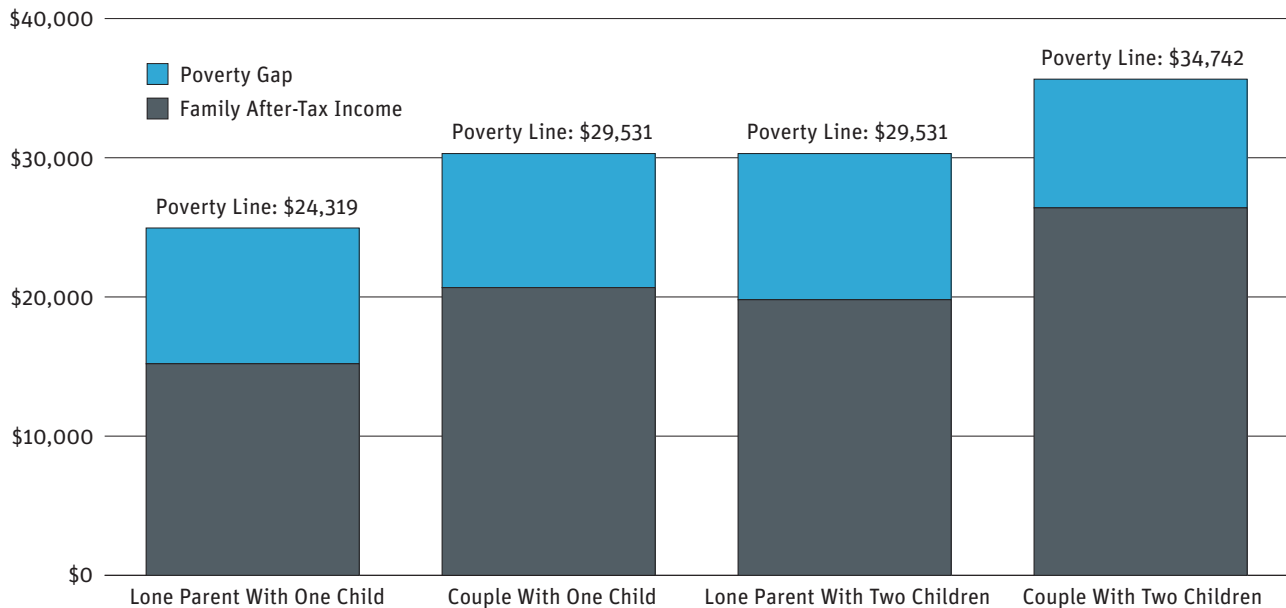
Nova Scotia children living in larger families also have higher rates of poverty. *Figure 6* shows that the poverty rate for children in families with three or more children was 29.7% in 2014; compared to 23.4% for families with only one child, and 16.9% for families with two children.

### Depth of Poverty

The child poverty rate measures the percentage of children that are living in families that have incomes below the Low Income Measure-After Tax. However, **many poor families actually live far below this poverty measure.** The median total after-tax income for low income families in Nova Scotia, when compared with the LIM-AT, allows us to measure the depth of poverty. It was significantly below the AT-LIM for both couple and lone-parent families of different family size. *Figure 8* shows that low-income couple families with two children in Nova Scotia had a median income of \$35,648 per year, leaving them \$9,248 below the poverty line for this family size. Even greater depths of poverty were seen in other family types. Couple families



**FIGURE 7** Depth of Poverty by Family Type, 2015



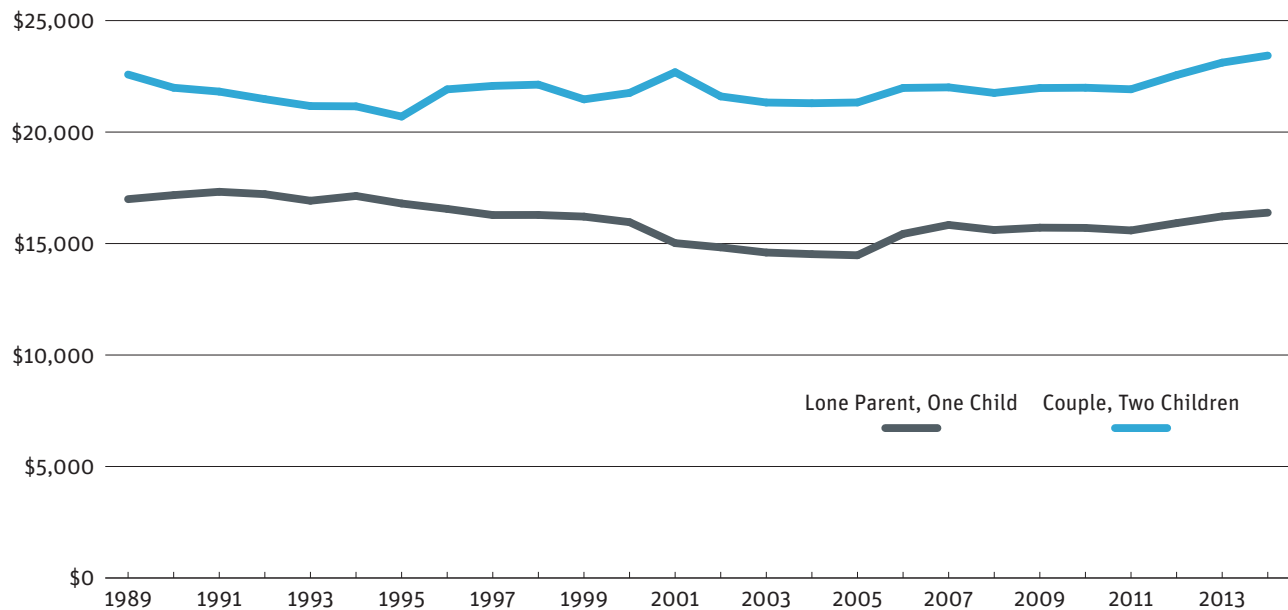
Prepared using Statistics Canada CANSIM Table 111-0015, 2014

with one child experienced a depth of poverty of \$9,631 per year; parent families with one child were living \$9,754 per year below the poverty line; and **low-income lone parent families with two children had a depth of poverty of \$10,501 per year – meaning they would need an extra \$875/month to bring the up to the poverty line.** Children living in low-income lone parent families in Nova Scotia experience much higher poverty rates than low-income couple families (see *Figure 5*), and as *Figure 7* shows, greater depths of poverty as well.

### Families Who Depend on Welfare for Household Income

Children in families that depend on welfare are particularly vulnerable to poverty. The Caledon Institute of Social Policy reports welfare incomes in Canadian provinces annually.<sup>14</sup> Welfare incomes include income assistance payments, federal and provincial child tax credits, and goods and service tax credit payments. *Figure 8* illustrates that total welfare incomes in Nova Scotia have remained virtually flat since 1989 (in constant 2014 dollars). In 2014, welfare incomes for lone parent families with one child were actually \$830 per annum lower than in 1989 when adjusted for inflation (in con-

**FIGURE 8** Total Annual Welfare Income by Family Type, Nova Scotia, 1989–2014 (Constant Dollars)



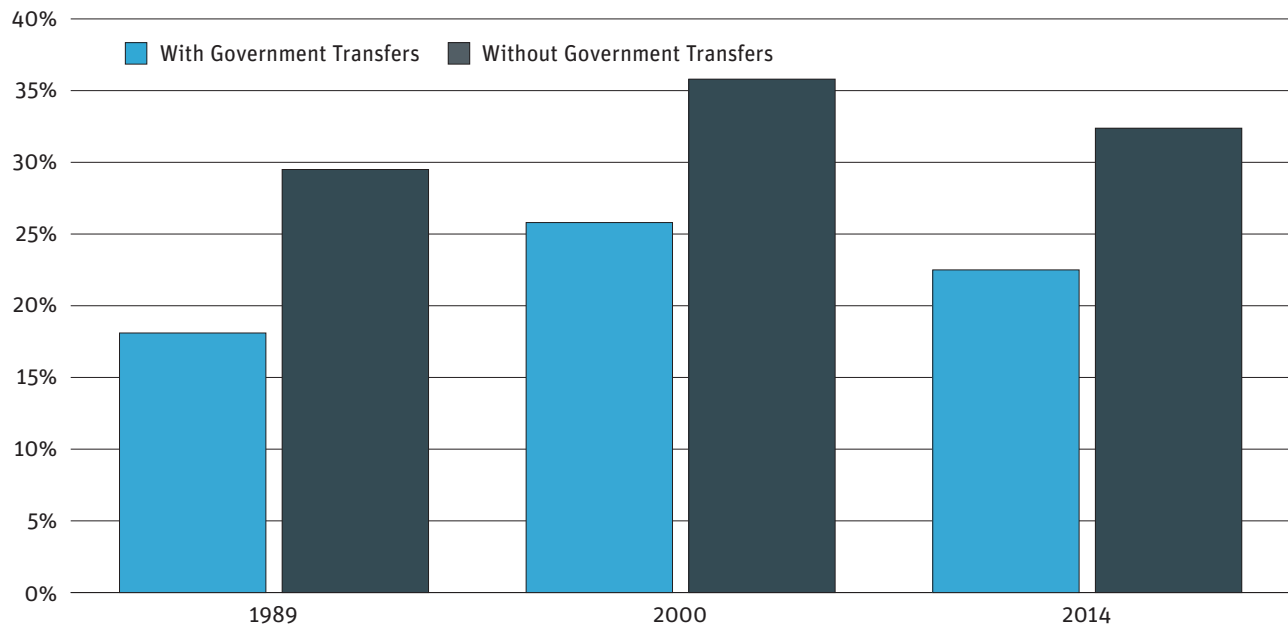
Prepared using Welfare in Canada 2014, Caledon Institute of Social Policy

stant dollars)<sup>15</sup>. Looking across 1989–2014 the average welfare income was only \$15, 877 per year. For a couple with two children, the average welfare income across the years from 1989 to 2014 was \$21,860. For this family type, incomes were \$1,955 per year higher in 2014 than in 1989.

## The Effect of Government Transfers in Lowering the Child Poverty Rate

Figure 9 demonstrates that government transfer payments are effective in reducing the rate of child poverty. Transfer payments are delivered by both the federal and provincial governments. Nova Scotia benefits include both children's benefits and benefits to other family members (federal and provincial Child Tax Credits, the Goods and Services Tax credit, Employment Insurance, Income Assistance, and the Affordable Living Tax Credit). The graph displayed the level of poverty reduction as a result of transfer payments to Nova Scotian families. In 2014, we saw a 32.5% reduction in child poverty due to government transfers. **Indeed, without government transfers close to 60,000 children would live in poverty in Nova Scotia.** However, the poverty reduction power of government transfers was less in 2014

**FIGURE 9** Impact of Government Transfers on Child Poverty Rate, AT-LIM, Nova Scotia, 1989, 2000, and 2014



Source: Statistics Canada, Income Statistics Division, T1 Family File 2014, Reference 16060

than it was in 1989 when the child poverty rate was reduced by 38.6% due to government transfers – this despite the fact that both federal and provincial child tax credits and a provincial affordable living tax credit were introduced in those intervening years. When we compare the effect of government transfers in 2014 with the year 2000, (32.5% compared to 27.9%) we see a slight improvement. Welfare incomes, which are made up of income assistance, federal and provincial child benefits and a couple of other tax credits have always been below the poverty line. Most government transfers are not pegged to the cost of living, and therefore lose their power to reduce poverty over time as prices for goods and services increase.

# Ending Child and Family Poverty

COLLECTIVE RESPONSIBILITY FOR social welfare is a core Canadian value. Both the federal and provincial governments work with provinces through transfer payments, cost sharing agreements, and other programs to set priorities about how best to support families affected by large scale public issues that make it difficult to meet their needs. Unemployment, underemployment especially of marginalized groups (racialized, people with disabilities, indigenous), precarious work, insufficient wages, gender and race pay gaps, poor access to education, and unaffordable and inaccessible childcare are examples of such public issues. Too often, however, these public issues, and particularly their combined effects on poverty rates and people living in poverty, are low on the lists of government priorities for joint, strategic action. Consistently high rates of family and child poverty are outcomes. Social welfare policies and programs can be effective in reducing poverty. Poverty reduction is achievable, but it depends to a large degree on federal and provincial governments' agendas, where poverty reduction and eradication stand in relation to their broader social and economic public policy priorities, and their willingness to collaborate to achieve it. Social welfare and economic policies can also produce and entrench poverty when families live the daily effects of weak public policy measures that cause families to live well below the poverty line year after year. Although the Nova Scotia gov-

ernment released a poverty reduction strategy in 2009, no clear benchmarks have been developed and no official progress reports have been released.

Because families have unique needs it is important that government interventions to reduce family and child poverty are specially aimed at the dynamics of family life. This will require a combination of initiatives designed to enhance opportunities for decent paid employment, the provision of adequate supports for families to engage in employment when and where they can, adequate government transfers to support family well-being more generally, and a careful examination of gendered assumptions and implications of policy interventions. Canada's performance on gender equality has been steadily declining over the last 20 years, moving from first to a ranking of 25<sup>th</sup> in 2014.<sup>17</sup> There is also an urgent need for more data and analysis of poverty dynamics of racialized families, aboriginal families, and families with special needs. Given the last long form census took place in 2006, Canada has a 10-year void in reliable comprehensive data regarding poverty among groups suffering the effects of historical disadvantage and inequities.

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## Fair Income for Work

Although it is often assumed that working-full time is a pathway out of poverty, plenty of people who work at or around the minimum wage in Nova Scotia know a different reality. Indeed, the data from 2011 tells us that about 40% of children living in poverty in Nova Scotia live in a family with at least one full-time/full year earner.<sup>18</sup> Improving the earned incomes for families with children is essential for poverty reduction. Stable employment helps to alleviate or reduce child poverty, but having a job, especially if it is at minimum wage or part time, in itself, does not solve the problem. Since the 1990s there has been an increase in precarious employment (part-time, temporary, or contract work often with low wages and few benefits).<sup>19</sup> Changes to the eligibility criteria for Employment Insurance instituted in 2013 also mean that fewer seasonal and precariously employed workers are covered. This has been particularly damaging for women who are more likely to be employed part-time or in temporary, casual and contract work, be self-employed, and have work interruptions due to care responsibilities.

In 2010, the provincial government committed to index the minimum wage annually to inflation using the consumer price index, with changes taking effect April 1<sup>st</sup> of every year. The most recent increase, on April 1<sup>st</sup>, 2016 brought the minimum wage to \$10.70/hour, one of the highest in Canada.

Yet this is still inadequate for covering families' basic needs. Food costing research determined that the minimum wage in 2012 (with one full-time and one part-time earner) was not sufficient for a four-person family in Nova Scotia to purchase a basic nutritious diet. Doing so would leave them in a deficit of \$303.69/month.<sup>20</sup> A living wage, one that covers what it actually costs to live and raise a family in a specific community, was calculate to be \$20.10 per adult earner, based on a 35- hour work week and 52 weeks of employment in Halifax.<sup>21</sup> This shows the discrepancy between the minimum wage and the living wage in Halifax. Improvements need to be made to bring the minimum closer to a livable wage. There is also a need to strengthen labour standards in the province to improve the lives of working families, and a need for the federal government to bring changes to the EI system that strengthen maternity and parental leave, increase entitlement to more than 55% of earnings, reduce the waiting periods for benefits, and ensure precariously and temporarily employed workers have access to benefits.

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## **Ensure Income Support Is Tied to Living Costs**

Families who rely only on government transfers are living far below the poverty line. Combined total welfare income (income assistance payments and tax benefits) needs to be higher to ensure that families can cover their basic needs. The income thresholds for these tax benefits and for additional supports (child care, pharmacare, transportation), along with the amount of earnings a recipient can keep before being clawed back need to be increased to allow people to transition into the labour force. Despite persistently high child poverty rates, the current provincial government released a 2015-16 budget that continued a focus on cutting the deficit and most departmental budgets were frozen. While no doubt welcomed by cash strapped families, the \$17/month increase in 2013-2014 in the personal allowance portion of income assistance had no noticeable effect on the child poverty rate in Nova Scotia. It is not likely that the May 2016 increase of \$20/month will lower the child poverty rate either, as the median income of low income families on income assistance in Nova Scotia are approximately \$800/month below the poverty line. Though rents throughout Nova Scotia have increased in recent years and is a significant part of a family's budget, there has been no increase in the shelter allowance portion of income assistance since 2000. We know that children with disabilities have higher poverty rates overall,

but sadly, eligible special needs allowances provided through Income Assistance have also become more restrictive as of late.<sup>22</sup>

Provincial capacity to fund social programs largely depends on cost sharing arrangements with the federal government. With the demise of the 50% cost-shared Canada Assistance Plan in 1996, and the block-funded Canada Social Transfer (CST) that replaced it, funding amounts for social welfare programs are not protected. The CST now transfers only half the amount of what was transferred under the Canada Assistance Plan. Moreover, because it is block funding it includes funding for post-secondary education and social welfare. The CST should increase and designate the increased funding for social services and income assistance. In consultation with the provinces and territories, the federal government should also create national standards of adequacy for social assistance in line with the Market Basket Measure of Poverty as conditions of the Canada Social Transfer to lift recipients out of poverty.

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## **Upholding Children’s Right to Child Support**

One area where national standards are needed concerns a child’s right to child support. Currently, rules within each provincial and territorial social/income assistance system differ with respect to the treatment of child support/maintenance payments. According to the Department of Justice’s website on child support, “Children need financial support from their parents — and they have a legal right to it.”<sup>23</sup> However, Nova Scotia along with five other provinces (Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Newfoundland and Labrador) deduct child support payments from the income assistance payments of lone-parent families. By contrast, in British Columbia and Ontario have recently made changes to exempt 100% of child support payments from the calculation of income assistance and families can keep it to spend to meet their children’s needs. Ontario frames its 100% exemption as a child poverty-reduction measure partially because “evidence from other jurisdictions shows that parents who owe child support are more likely to pay it if they know that their children will directly benefit from all of the money.”<sup>24</sup>

In Nova Scotia, child support is deemed “unearned income” and deducted dollar for dollar from the income assistance entitlements of lone parent families — over 80% of whom are female-led. Such differences in income assistance policies contribute to regional variation in child poverty rates.

Nova Scotia should follow the lead of British Columbia and Ontario and end the clawback of child support from lone parents on Income Assistance.

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## Progressive Family Policy

Income redistribution through the taxation system such as federal and provincial/territorial child benefits, have been successful in reducing child poverty since their inception. Most recently, beginning in July 2016, the new federal government cancelled the Universal Child Care Benefit, Canada Child Tax Benefit, and the National Child Benefit, replacing these programs with the Canada Child Benefit (CCB). The Liberals have estimated, based on figures from 2014, that this change will lift 300,000 Canadian children out of poverty. While this is good news, statistics show that in 2014 there were 1.3 million Canadian children living in poverty. This enhanced benefit, therefore, will likely fall short for about one million children. Additionally, the new CCB will not be indexed to inflation until 2020, decreasing its real value over time. The Nova Scotia Child Benefit (NSCB) was enhanced in July 2014 through raising the family income threshold by \$1000/year to allow more families to qualify. Though it is too early to tell what the long-term results will be, the Nova Scotia child poverty rate remained the same between 2013 and 2014. Similarly, unlike the provincial child benefits in Quebec, Ontario, and Alberta-provinces (where the level of benefit is at least twice the yearly amount as it is in Nova Scotia) the Nova Scotia Child Benefit is not indexed to inflation. Such income based benefits on behalf of children are important social programs for reducing child poverty, but **more robust combined federal and provincial enhancements, indexed to inflation, are needed to significantly improve the lives of poor families in this province.** This includes **provincial programs such as subsidized childcare, the Nova Scotia Child Benefit, and the Affordable Living Tax Credit.**

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## Poverty Reduction for Families Must Also Include Access to a Well-Designed, Affordable Early Learning and Childcare System

A universally accessible, high quality childcare system is essential for child poverty eradication. It is critical for enabling labour force participation. Such a childcare program must also be affordable. Apart from facilitating work, and strengthening women's equality, early childhood education and care



(ECEC), supports healthy child development, school readiness and overall child well-being. All other industrialized countries that have significantly reduced child poverty to below 5% have developed well-resourced systems of early childhood education and care services. A recent OECD report on the reconciliation of work and family life urges Canada to increase funding for childcare as fees are among the highest in the world serving to keep young women out of the workforce.<sup>25</sup> Currently, Canada has no national childcare policy. The Minister of Families, Children, and Social Development has been tasked to work with the Minister of Indigenous and Northern Affairs to launch consultations with provinces and territories and Indigenous peoples on a National Early Learning and Childcare Framework as a first step towards delivering affordable, high-quality, flexible and fully inclusive child care. There is substantial evidence that a universal, high quality, publicly funded and managed childcare system is the best way to move ahead. In 2014, there were only enough regulated childcare spaces in the province for 25.5% of children.<sup>26</sup> Clearly both levels of government have a responsibility to ensure the development of such a framework. Recent provincial changes to regulated childcare took effect in July 2016 whereby the number of childcare spaces and the amount of childcare subsidies increased, eligibility for subsidies broadened, and a fee cap was instituted,<sup>27</sup> as well as provide some additional wage income to the lowest paid staff. These changes however do not build a system, but merely tinkers with the current patchwork of programs.

# Conclusion

DESPITE THE EFFECTIVENESS of both federal and provincial child tax benefits, and other provincial taxed based transfers to families, the promise to end child poverty in 1989 has not been achieved. In fact, the child poverty rate is higher now. Between 1989 and 2014 the child poverty has fluctuated—initially increasing, then decreasing with the arrival of the first child tax credit, then increasing again with the 2008–09 recession, and since leveling out to hover around 22%. The fluctuation in child poverty can be explained as a combination of economic conditions which are particularly challenging in some communities, and the strength and/or weakness of our joint and somewhat dysfunctional federal-provincial social welfare system to facilitate pathways to prosperity and protect families during difficult times. While redistributive tax measures are effective in lowering child poverty rates, and the enhancement of benefits put in place in July 2016 is welcomed, it requires indexation now, not in 2020. However, this measure alone will not be enough to end child and family poverty. The persistence of higher child poverty rates among some groups is explained by the dynamics of inequality based on gender, indigeneity, race, immigrant status, and ability. Inattention to these broader structures of inequality are likely to further stall progress for our most vulnerable children in the province. There is an urgent need prevent, reduce and eradicate child and family poverty in Indigenous communities. Increases in low-waged precarious employment, widening poverty gaps, slow progress on affordable and accessible child-care, rising housing and food prices, and insufficient income assistance and

employment insurance provisions, all still stand in the way of child poverty eradication. The federal government's planned leadership role in creating a national poverty reduction strategy, presents an opportunity to prevent another generation from growing up in poverty. The province must follow suit by creating a more comprehensive poverty reduction plan with clear measures, timelines and targets, and reporting mechanisms.

# Appendix A: Methodological Note

THE AUTHOR HAS prepared all figures, tables and related calculations in this report. Sources used to produce figures and tables are noted. This report uses Statistics Canada's T1 Family File (T1FF) to report on poverty unless otherwise indicated. The T1FF is based on Taxfiler data collected from income tax returns and Canada Child Tax Benefit (CCTB) records.

**TABLE 3** After-Tax Low Income Measures – 2014

Number of Adults*	Number of Children Less than 16 Years of Age				
	0	1	2	.....	10
1	17,824	24,954	30,301	.....	73,078
2	24,954	30,301	35,648	.....	78,426
3	32,083	37,430	42,778	.....	85,555
4	39,213	44,560	49,907	.....	92,685

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

# Notes

**1** Food Banks Canada (2016), Hunger Count 2016, retrieved from <https://www.foodbankscanada.ca/hungercount2016>

**2** UNICEF. (2013). *Child Poverty in Rich Nations*. Retrieved from [https://www.unicef-irc.org/publications/pdf/rc11\\_eng.pdf](https://www.unicef-irc.org/publications/pdf/rc11_eng.pdf)

**3** Non-CMA and CAs refers to rural areas are sparsely populated lands lying outside of census metropolitan areas (CMAs) or census agglomerations (CAs). They include small towns, villages and other populated places with less than 1,000 population according to the previous census as well as remote areas and agricultural lands.

**4** This table only includes communities (determined by postal cities) with population numbers large enough to avoid suppression of data because of confidentiality. Postal cities are a collection of postal codes that begin with the same first three digits. Any given postal city is only loosely associated with a community and may not align with other understandings of community boundaries.

**5** Macdonald, D. & Wilson, D. (2013). *Poverty or Prosperity: Indigenous Children in Canada*. Retrieved from [http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2013/06/Poverty\\_or\\_Prosperty\\_Indigenous\\_Children.pdf](http://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2013/06/Poverty_or_Prosperty_Indigenous_Children.pdf)

**6** Macdonald, D. & Wilson, D. (2016). *See Shameful Neglect: Indigenous Child Poverty in Canada*. Retrieved from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/05/Indigenous\\_Child%20\\_Poverty.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/05/Indigenous_Child%20_Poverty.pdf)

**7** Ibid.

**8** Canadian Association for Community Living. (April 2013). *Assuring Income Security and Equality for Canadians with Intellectual Disabilities and their Families*. Retrieved from [http://www.parl.gc.ca/Content/HOC/Committee/411/FINA/WebDoc/WD6079428/411\\_FINA\\_IIC\\_Briefs/CanadianAssociationforCommunityLiving E.pdf](http://www.parl.gc.ca/Content/HOC/Committee/411/FINA/WebDoc/WD6079428/411_FINA_IIC_Briefs/CanadianAssociationforCommunityLiving E.pdf)

**9** Postal Code Validation disclaimer: Statistic Canada makes no representation of warranty as to, or validation of, the accuracy of any Postal CoseOM data.

**10** Source: CANSIM Table 202-0804: Persons in low income, by economic family type

- 11** Source: CANSIM Table 111-0011: Family characteristics, by family type, family composition and characteristics of parents
- 12** The Atkinson Centre for Society and Child Development, Nova Scotia Chapter. *Early Childhood Education Report 2014: Time for Preschool*. Retrieved from [http://timeforpreschool.ca/media/uploads/profiles-eng/ns\\_v2.pdf](http://timeforpreschool.ca/media/uploads/profiles-eng/ns_v2.pdf)
- 13** Source: CANSIM, Table 282-0031 (2015 data).
- 14** Caledon Institute of Social Policy.( 2015). *Welfare in Canada 2014*. Retrieved at <http://www.caledoninst.org/Publications/PDF/1086ENG.pdf>
- 15** Constant dollars factor out the effect of inflation in order to accurately compare dollar amounts over time.
- 16** Statistics Canada makes no representation or warranty as to, or validation of, the accuracy of any Postal CodeOM data
- 17** *Progress on Women's Rights: Missing in Action. A Shadow Report on Canada's Implementation of the Beijing Declaration and Platform for Action*. Prepared by a network of NGOs, trade unions and independent experts, Canadian Centre for Policy Alternatives, October 2014. <https://www.policyalternatives.ca/publications/reports/progress-women%E2%80%99s-rights-missing-action>.
- 18** Frank, L. (2013). 2013 Report Card on Child and Family Poverty in Nova Scotia 1989-2011. Retrieved from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2013/11/2013\\_NS\\_Child\\_Poverty\\_Report\\_Card.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2013/11/2013_NS_Child_Poverty_Report_Card.pdf)
- 19** Pasma, C. (2010). *Bearing the Brunt: How the 2008 Recession Created Poverty for Canadian Families*. Ottawa, ON: Citizens for Public Justice.
- 20** Nova Scotia Participatory Food Costing Project. 2013. *Can Nova Scotian Afford to Eat Healthy?* Retrieved from [http://foodarc.ca/wp-content/uploads/2013/08/2012-Food-Costing-Report\\_Final\\_website.pdf](http://foodarc.ca/wp-content/uploads/2013/08/2012-Food-Costing-Report_Final_website.pdf)
- 21** Johnston, M. & Saulnier, C. (2015). *Working for a Living, Not Living for Work: The Halifax Living Wage 2015*. Retrieved from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/06/CCPA-NS\\_Halifax\\_Living\\_Wage2015.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/06/CCPA-NS_Halifax_Living_Wage2015.pdf)
- 22** Wuite, S., Saulnier, C. & Lord, S. (2013). *Cornerstone Compromised: A Critical Analysis of Changes to Special Needs Assistance in Nova Scotia*. Retrieved from [https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2013/07/Cornerstone\\_Compromised\\_NS.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2013/07/Cornerstone_Compromised_NS.pdf)
- 23** See Department of Justice. <http://justice.gc.ca/eng/fl-df/child-enfant/index.html>
- 24** See <https://news.ontario.ca/mcss/en/2016/06/ontario-ensuring-that-vulnerable-families-keep-child-support-payments.html>
- 25** See [http://www.keepeek.com/Digital-Asset-Management/oecd/social-issues-migration-health/babies-and-bosses-reconciling-work-and-family-life-volume-4\\_9789264009295-en#page1](http://www.keepeek.com/Digital-Asset-Management/oecd/social-issues-migration-health/babies-and-bosses-reconciling-work-and-family-life-volume-4_9789264009295-en#page1)
- 26** For a discussion of child care in Nova Scotia, see Tammy Findlay and Christine Saulnier, From Patchwork Quilt to Sturdy Foundation: Build a Seamless Early Learning & Child Care System Now, CCPA-NS Submission to the Department of Education and Early Childhood Development's Regulated Child Care Review (Halifax: CCPA-NS, May 14, 2015) <https://www.policyalternatives.ca/publications/reports/patchwork-quilt-sturdy-foundation>.
- 27** <https://www.ednet.ns.ca/docs/affordablechildcare.pdf>





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