A POVERTY-FREE CANADA REQUIRES FEDERAL LEADERSHIP
Introduction

As Canada’s 150th year since confederation closes, it is time to usher in a new poverty-free era. Decades of neo-liberal austerity have eroded Canada’s progress towards a strong social safety net. With over 1.2 million children and families in poverty, a transformational response to the complexity of poverty is overdue. It is time for a new social contract with a renewed foundation built on equity and dignity. The goal must be that no person in Canada lives in poverty, no matter their age, ethnicity, gender, religion, ability, sexual orientation or education. To do this, governments need to adopt a poverty reduction lens on all economic, fiscal, taxation and social policy decisions and budgetary priorities.

Committing to poverty eradication must build on social programs that matter in the everyday lives of Canadians, such as child tax benefits, affordable child care and medicare, while turning the tide against significant inequities that bar people in poverty from meeting their basic needs and limiting their potential. For the 4.8 million Canadians living in low income today, a pan-Canadian action plan for poverty eradication cannot come soon enough.

A new social contract can only be effective with strong policy responses to today’s challenges. Current programs have not kept enough families from falling through the cracks caused by growing precarious, part-time work; dismal social assistance rates; shortages of affordable housing and quality childcare; insufficient access to training; and limitations on access to vital healthcare supports (medication, dentistry, physio and occupational therapy). Too many people in Canada are forced to suffer hunger and food insecurity; entrenched inequities based on race, gender, different abilities and sexual orientation; and the growing income and asset gap between the rich and poor.

A new social contract can only succeed with strong federal leadership that is collaborative, equitable, flexible and insistent on clear goals and accountability for results. A renewed use of the federal spending power to support provinces and territories to take poverty reduction action within their constitutional spheres is essential. The federal government must set benchmarks for progress against poverty and launch change into action through investments in the programs and solutions needed to make poverty history in Canada. Through a pan-Canadian stance the federal government should address regional variations in income security and social programs that perpetuate poverty by establishing program standards and providing adequate cost sharing.

The federal government has undergone over a year of consultation and study to develop Canada’s first Poverty Reduction Strategy (PRS). Over 20,000 Canadians have raised their voices, demanding a strong strategy.

Campaign 2000 calls for the PRS to be guided by bold targets and clear timelines and for it to be developed in consultation with provincial and territorial governments, Indigenous governments and organizations, non-governmental organizations and people living in poverty. The Strategy must be secured in legislation and identify key roles for all levels of government, recognizing the particularities of how Québec pursues social policy in the Canadian context. Finally, the PRS must be accompanied by a commitment to allocate the required level of investments in income support and services to ensure progress, with stringent reporting requirements to ensure transparency in assessing whether targets are met.

Campaign 2000 welcomes the indexation of the Canada Child Benefit and enhanced funding for the Working Income Tax Benefit in 2017’s Fall Economic Statement as positive steps towards responding to Canadians’ feedback and recommendations. Our partners working to end child poverty also recommend that progress on an enhanced Early Childhood Education and Care (ECEC) program is critical both to prevent and sustain long-term poverty reduction for families, especially women, who want and need to participate in education, training and decent work. We call on government to ensure additional funding for the Strategy and other initiatives in Budget 2018 and to earmark funding that ramps up over the long term.

Laying the foundation of a new social contract that leaves poverty behind and ensures health, well-being and opportunity for all Canadians is not a choice. Eradicating child and family poverty is imperative to Canada’s future.
Recommendations

Campaign 2000: End Child and Family Poverty, and its diverse cross-Canada coalition, recommends:

• The Government of Canada ensure that its federal action plan to eradicate poverty includes both targets and timelines and is developed in consultation with provincial and territorial governments, Indigenous governments and organizations, non-governmental organizations and people living in poverty. The plan must be secured in legislation and identify key roles for all levels of government, recognizing the particularities of how Québec pursues social policy in the Canadian context. To track the strategy’s progress, the Low Income Measure—After Tax should be named Canada’s official income poverty line.

• Collaboration with First Nations’1 governments and Indigenous2 organizations to develop plans to prevent, reduce and eradicate child and family poverty in Indigenous communities. These plans must be compliant with the rulings of the Canadian Human Rights Tribunal requiring adequate/fair funding for child welfare services on First Nations communities and ensuring the full application of Jordan’s Principle.3

• That the Canada Child Benefit (CCB) be designed to reduce the child poverty rate by 50% in three years. Government should ensure access to the benefit for families living at higher rates of poverty, such as First Nations families on reserve and children of immigrants and refugees. The federal government should initiate agreements with provinces and territories to ensure no portion of the CCB is deducted from children in families receiving income/social assistance.

• An Early Child Education and Care (ECEC) program for Canada led by the federal government and developed collaboratively with provinces/territories and Indigenous communities, which includes a well-developed policy framework based on the principles of universality, high quality and comprehensiveness, guided by targets and timelines and supported by long term, sustained funding.

• Increased funding for the Canada Social Transfer that provides sufficient, stable and predictable funding to recognize regional economic variations, and ensures that both federal and provincial governments are accountable for meeting their human rights obligations to provide adequate income support for all low income Canadians. This will require the development of minimum standards for income assistance and social services funded through the Transfer, allowing necessary flexibility to provinces and territories and the removal of arbitrary growth restrictions. As part of this, ensure children in lone parent families receiving income assistance retain child support payments currently deducted from their incomes and ensure child-related Employment Insurance (EI) benefits are not deducted from provincial income or disability benefits. This could be accomplished through establishing conditions in the Canada Social Transfer.

• Creating and sustaining quality employment opportunities and raising the ceiling of income eligibility for the Working Income Tax Benefit (WITB). EI should be enhanced to expand access, duration and levels of benefits. The number of qualifying hours should be reduced to 360 for all workers. Benefit levels should be extended over a longer benefit period of 50 weeks.

• Enacting proactive strategies, including improved employment equity in the public and private sectors, and an effective training strategy accessible to those not on EI to level the playing field for racialized communities and other historically disadvantaged groups.

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

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

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

- Supporting population health by implementing an enhanced Medicare program that includes pharmacare, dentistry and various rehabilitation services.

- Growing income inequality be addressed by continuing to restore fairness to the personal income taxation system and re-introducing the principle of taxation based on ability to pay.

- Creating a targeted GST credit top-up of $1,800 per adult and child for those living below the poverty line. This top-up will go to all low-income people regardless of family type and is projected to lift 560,000 people out of poverty – half of whom are children.
Measuring Poverty

Statistics Canada produces several measures of low income, including the Low Income Cut-Off (LICO) Before Tax and After Tax, the Market Basket Measure (MBM) and the Low Income Measure (LIM) Before and After Tax. Because Canada does not have an official low income threshold, debates about measuring poverty can overtake the urgent need for solutions.

This report uses Statistics Canada’s T1 Family File (T1FF) to report on low income according to the Low Income Measure-After Tax (LIM-AT), unless otherwise indicated. The T1FF includes personal income tax and Canada Child Tax Benefit (CCTB) records. Child benefit records improve the coverage of children in the T1FF data set in comparison with official population estimates but T1FF’s estimates regarding First Nations are limited due to a 50% tax filing rate on reserves. T1FF also provides limited demographic information.

We present census data on low income here, but note that there are methodological differences in the calculation of low income rates between the 2016 Census and the T1FF. While both report on low income based on Taxfiler data from 2015, T1FF uses the census family as the unit of measure while the 2016 Census uses the household. This, coupled with the application of different equivalency scales to the data, results in different low income thresholds and therefore slightly different rates of child and family poverty (17.4% from T1FF and 17.1% according to the Census). It is notable that the 2016 census calculation of low income rates excludes residents of the territories and First Nations people living on reserve, while these individuals are included in the T1FF low income rates.

Campaign 2000 recommends the Low Income Measure After Tax calculated from Tax Filer data be adopted as Canada’s official poverty line. The LIM is a relative measure of poverty. It is a fixed percentage (50%) of median adjusted household income that takes household size into account and it is internationally comparable. It is most strongly related to health status and developmental outcomes. As the official low income line, the LIM AT should be the measure to determine if poverty reduction targets are met. Supplemental measures should track household food insecurity, working poverty and disproportionate levels of poverty among marginalized groups. Our brief, Measuring Poverty, Meeting Targets contains detailed recommendations regarding data, targets and timelines for the Canadian Poverty Reduction Strategy.

Fig. 1: Low Income Measure, After-Tax 2015

<table>
<thead>
<tr>
<th>FAMILY TYPE</th>
<th>LIM -AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Adult (no child)</td>
<td>18,213</td>
</tr>
<tr>
<td>Lone Parent with one child*</td>
<td>25,498</td>
</tr>
<tr>
<td>Lone Parent with two children</td>
<td>30,962</td>
</tr>
<tr>
<td>Couple (no child)</td>
<td>30,962</td>
</tr>
<tr>
<td>Couple with one child</td>
<td>30,962</td>
</tr>
<tr>
<td>Couple with two children</td>
<td>36,426</td>
</tr>
</tbody>
</table>

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

Child and Family Poverty in Canada

Today, nearly 1 in 5 children (17.4%) live in poverty with their families (LIM-AT). Shamefully, 37.9% of First Nations children live in poverty in Canada. Despite multiple all-party resolutions to eliminate child poverty and poverty among all persons, Canada’s 1992 ratification of the Convention of the Rights of the Child and its position as one of the wealthiest nations on earth, children represent 1.2 million, or 25% of Canada’s 4.8 million people in poverty. Children are especially vulnerable to poverty in their pivotal early years from birth to age 5 (Chart 3); more likely than adults to live in poverty in every province and territory, with the exception of Quebec, and children in marginalized families live in poverty in greater numbers.

The impact of the federal government’s significant investments in the Canada Child Benefit (CCB) are not yet captured by current data, but further anti-poverty measures do not have to wait until the results are in. Poverty in childhood has lifelong, negative effects on individuals and families and long-term effects on communities. With the Governor of the Bank of Canada calling the CCB “highly stimulative,” and crediting it with strengthening Canada’s economy, enhancing investments in programs that reduce poverty clearly matters to families, but also to Canada’s fiscal strength.

The evidence shows that government transfers are significant in reducing poverty in Canada – before transfers, more than 1 in 3.5 children (27.8%) would live in poverty compared with the current 17.4% (Chart 5). It is also apparent that the labour market is not working well for many Canadian families with children. Almost 30% of Canadian children would have been poor by market income alone. Beyond this, in 2015 redistribution through income taxes and transfers was not doing enough to eradicate child and family poverty. A decrease of almost 11 percentage points is important; but still leaves almost one in five Canadian children living in poverty. The effects of the CCB will be revealed in future years; however, we already know that improvements in income security programs are required to eradicate child and family poverty in Canada.

Canada can do much more to provide families with world class social programs, as we continue to fall below the OECD average in spending on family benefits. Drawing on evidence and decades of proposed solutions, the PRS must chart immediate, aggressive action against poverty to ensure children have lifelong opportunities to thrive.

Chart 1: Children in Low-Income Families in Canada, 2000-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>22.3%</td>
</tr>
<tr>
<td>2001</td>
<td>21.4%</td>
</tr>
<tr>
<td>2002</td>
<td>22.6%</td>
</tr>
<tr>
<td>2003</td>
<td>19.6%</td>
</tr>
<tr>
<td>2004</td>
<td>19.7%</td>
</tr>
<tr>
<td>2005</td>
<td>18.9%</td>
</tr>
<tr>
<td>2006</td>
<td>19.1%</td>
</tr>
<tr>
<td>2007</td>
<td>18.5%</td>
</tr>
<tr>
<td>2008</td>
<td>17.6%</td>
</tr>
<tr>
<td>2009</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Cansim Table 111-0015. Family characteristics After-tax, Low Income Measure by family type and family type composition.


<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>15.8%</td>
</tr>
<tr>
<td>2000</td>
<td>22.3%</td>
</tr>
<tr>
<td>2015</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

Child and Family Poverty by the Numbers

Seven of the provinces and territories have child poverty rates above the national rate, pointing to grim disparities.

Child poverty rates are highest in the first year of a child’s life, “partly because the earnings of new mothers tend to drop in the year of childbirth and for several years thereafter.”

The federal government can be truly feminist by boosting Employment Insurance maternity/parental leave benefits, closing the gender pay gap and prioritizing a national program of early childhood education and care that enables women’s entry into the workforce to lift families and children out of poverty.

Chart 4: Child Poverty Rates in the Provinces and Territories, 2015

Source: Statistics Canada, Small Area Administrative data, 2015
Tax File Family
Series, Table 18, After-tax low income measure

Chart 5: Reductions in Child Poverty Resulting from Government Transfers, Canada and Provinces/Territories, 2015

Source: Statistics Canada custom tabulation, Income Statistics Division, T1 Family Files 2015
Urgent action is needed to support Indigenous children and families in Canada living in poverty in shameful numbers. 2016 Census data show that 30% of Aboriginal children live in poverty today; this figure does not include the territories or First Nations communities, so it is likely an underestimate. The systemic under-funding and denial of services and supports for Indigenous peoples stems from Canada’s legacy of cultural genocide and must be immediately addressed in the context of truth and reconciliation.

Challenging realities for some Indigenous people are indeed “Canada’s shame,” as the Prime Minister told the United Nations. These include undrinkable water, barely livable housing, forced family separation, thousands of missing women and girls and alarming youth suicide rates. This violence, neglect, and racism constitutes nothing less than ongoing systemic discrimination against Indigenous Peoples.

Canada should immediately comply with the January 2016 Canadian Human Rights Tribunal’s (CHRT) ruling to provide equitable funding for First Nations child welfare and all public services. The government’s non-compliance to date places children’s lives at risk and feeds cynicism regarding the government’s commitment to a renewed relationship with First Nations.

Because “reconciliation means not saying sorry twice,” immediate, concrete action to address poverty among Indigenous peoples in Canada cannot be delayed any
longer. We are hopeful that the recent dissolution of Indigenous and Northern Affairs Canada (INAC) and the creation of two new Ministries, Indigenous Services and Crown-Indigenous Relations and Northern Affairs, will be a true disavowal of colonial structures and relationships. From now on, Canada’s strong language and steps in the right direction need to be followed up with transformative change that includes funding on the ground to redress injustices.

In its response to the deaths of three Indigenous children in care in Alberta, the provincial government announced plans to top up funding for First Nations Child Welfare services rather than await federal action. Immediate action to support children is welcome, and fulfills the spirit of Jordan’s Principle to put children before jurisdictional disputes. However, it is time for the federal government to stop stalling and put First Nations children first: the contradiction of fighting First Nations children in court while vowing reconciliation is unjustifiable. With children’s lives at stake, equalizing funding and acting on the comprehensive and transformative recommendations of 2005’s Wen: De reports on First Nations Child Welfare is imperative to children and families that require support and to charting a new path in Canada’s relations with First Nations. The recent Spirit Bear Plan to End Inequalities in Public Services for First Nations Children, Youth and Families contains important actions that government should take immediately.

It is positive that Health Canada has improved the visibility and promotion of public services available to First Nations children on and off reserve according to Jordan’s Principle, which the CHRT had ruled the government had been applying too narrowly. This follows the May 2017 compliance order which found that the federal government’s failure to actualize Jordan’s Principle properly was partially responsible for the suicides of two twelve-year-old Indigenous girls from Wapekeka First Nation. Health Canada reports that “As of September 30, 2017, 19,713 services and supports have been approved for First Nations children under Jordan’s Principle. These include mental health supports, medical equipment, speech therapy, educational supports, and more,” though we note that time period of access is not specified. We urge the government to halt its move in the Federal Court of Appeal to quash the CHRT’s order regarding responding to service requests for children within 12-48 hours of receipt. Further, eligibility for services through Jordan’s Principle should extend beyond First Nations children on and off reserve to include all Aboriginal children.

Recommendations

• Collaborate with First Nations’ governments and Indigenous organizations to prevent, reduce and eradicate child and family poverty in Indigenous communities. This requires honouring Treaty promises and agreements with First Nations governments across Canada that are based upon principles of peaceful coexistence, mutual respect, recognition and the equitable sharing of lands and resources. With control over relevant resources, including block funding, First Nations can formulate effective poverty reduction programs for their communities or actualize plans that have already been formulated.

• Accelerate implementation of the 94 Calls to Action from the Truth and Reconciliation Commission and recommendations from the Royal Commission on Aboriginal Peoples.
Targeted Action Needed to Lift Marginalized Children out of Poverty

A renewed social contract must address the fact that children in families that are racialized, Indigenous, recent immigrants, affected by disability or led by a lone-female parent are afflicted by poverty in staggering numbers. For marginalized families, systemic exclusion and discrimination perpetuate poverty and take many forms including discrimination when searching for work, on the job, when applying for rental housing, in accessing drinkable water, accessing quality education or in encounters with criminal justice, child welfare and border officials.

The reinstated Long Form Census provides vital evidence of the incidence of poverty affecting marginalized communities (Chart 6). The additional evidence below reveals a very grim picture of life for some children and families in Canada:

- 43% of Arab children and 30% of Black children live in poverty.\(^{27}\)
- While 26 advisories have been lifted since 2015,\(^{28}\) as of August 31, 2017 there were still 103 long-term and 41 short-term Drinking Water Advisories in 98 First Nations communities south of 60°, excluding British Columbia.\(^{29}\)
- Indigenous, Black, and other racialized children are over-represented in the child welfare system. Black Canadians constitute 8.5% of the population of Toronto, but 40% of the children in care.\(^{30}\) Indigenous children represent 3.4% of the total number of children in Ontario, but 25.5% of children in foster care.\(^{31}\) In Manitoba, 90% of the 11,000 children involved in the child welfare system are Indigenous.\(^{32}\)
- Recent immigrants with children are 13 times more likely to live in chronic low income\(^{33}\) than individuals born in Canada, or those who immigrated 21 years prior.\(^{34}\)
- People with disabilities comprise 41% of the low income population, compared with 18% of the non low income population. Among lone parents with disabilities, a staggering 53% lived in low income (LIM-AT 2013), compared with 25.5% of non-disabled lone parents.\(^{35}\)
- Among lone-mother families 42% of children live in poverty, compared with 25.5% of children in lone-father families and 11.2% of children in two-parent families.\(^{36}\)

Recommendations

- Apply employment equity criteria to jobs created through federal infrastructure investments so that parents who are members of groups experiencing discrimination have access to the opportunities. Expand Canada’s

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**Chart 6: Child Poverty Rates in Marginalized Communities, 2016**

![Chart 6](chart6.png)

Source: Statistics Canada, Census of Population, 2016. Catalogue Number 98-400-X2016206. *Aboriginal includes persons who are First Nations Métis or Inuk and/or those who are Registered or Treaty Indians and/or those who have membership in a First Nation or Indian band. ** Refers to children of current or former landed immigrants and permanent residents.

**Chart 7: Low-Income Household Representation in Different Family Types, 2016**

![Chart 7](chart7.png)

Employment Equity Act to include protection on the basis of sexual orientation and gender identity.\textsuperscript{37}

- Fast-track the introduction of legislation compelling federally-regulated industries to compensate women with equal pay for equal work. Delaying this until 2018 negatively affects 874,000 employees.\textsuperscript{38}
- Enable 755,000 people to benefit from the Disability Tax Credit by making it refundable.\textsuperscript{39}
- Ensure Federal Accessibility Legislation results in an Act with sufficient enforcement power to remedy barriers in the areas of most need as identified by people with disabilities.
- Work with the provinces, territories and regulatory bodies to create harmonized systems for assessing and recognizing qualifications to streamline the international credential recognition processes for skilled immigrants to Canada.
- Restore, enhance and strengthen Canada’s Action Plan Against Racism (CAPAR) based on community input and respond to growing concerns about racial profiling plaguing Black, Indigenous and racialized families.

**Maximize the Canada Child Benefit**

The CCB is well-designed: it is progressive, tax free and provides significant income support. It can be improved to help usher in Canada’s poverty-free era. We call on the federal government to measure the CCB’s effectiveness in reducing low income according to the LIM-AT and to bolster investments in the CCB to achieve its target of a 40% reduction in child poverty by 2017. We are encouraged by the recent commitment to index the CCB to inflation in 2018 rather than 2020. Further action should be taken to:

- Increase the base amount of the CCB and introduce a more progressive benefit reduction rate with the target of reducing child poverty by 50% by 2020 according to the Taxfiler LIM-AT.
- Provide more resources to support tax filing in First Nations communities since filing taxes triggers CCB eligibility. Tax filing rates on reserves are estimated at 50%, given that the requirement to do so is dependent on source of income.

**Boosting Incomes for Families with Children**

A new social contract aimed at eradicating child and family poverty requires investments in and improvements to Canada’s income security architecture.
Provide assistance to parents in homeless shelters, especially women fleeing violence, so they can file their taxes and receive the CCB. 41

Revise eligibility for the CCB to ensure parent/s’ immigration status is not a barrier. Children who are currently arbitrarily ineligible include those whose parents are claiming refugee status; those unable to leave Canada because their parents are from countries with a moratorium on removal because of dangerous conditions, and Canadian-born children of parents who do not have regularized status.

Initiate agreements with the provinces and territories to ensure children in families receiving income/social assistance have no portion of the CCB deducted from their already meagre incomes. To date, provinces and territories have committed not to claw back but there is too little accountability for the commitment.

End the Welfare Trap

Job loss, illness, disability, forced migration, divorce or family violence are unavoidable and highly destabilizing situations. It is unconscionable that unforeseen and unavoidable situations should confine anyone to living in poverty; yet, this is the reality for individuals and families forced to rely on income/social assistance across Canada. For most recipients, incomes fall below the poverty line, resulting in hunger, housing instability, stigmatization, social exclusion and significant health issues for children and adults.

Low social assistance rates contribute significantly to the depth of poverty in Canada. Couples with two children have the widest poverty gap to close, with median incomes over $10,000 below the LIM-AT of $36,426. The federal government can help close these gaps with improvements to the Canada Social Transfer 43 (CST) to establish adequacy standards and tackle regional rule variations that perpetuate poverty. With over 450,000 children in Canada in families receiving meagre income/social assistance, 44 the need for action is urgent. The federal government can act to:

- Increase funding for the CST based on minimal standards of adequacy in social assistance and of access and quality in social services and early learning and childcare.
- Remove arbitrary growth restrictions
- Provide sufficient, stable and predictable funding that recognizes regional economic variations, and ensures that both federal and provincial governments are accountable for meeting their human rights obligations to provide adequate income support for all low-income Canadians. This will require the development of minimum standards for income benefits and social services funded
through the Transfer, which also allow necessary flexibility to provinces and territories without eroding adequacy and quality standards.

**Uphold All Children’s Rights to Child Support**

Currently, there are regional variations in the treatment of child support/maintenance payments for those on social/income assistance. Alignment is needed to ensure a child’s right to child support is upheld.\(^45\) The purpose of child support is to provide an adequate economic base for children when parents separate and divorce. The federal government must exercise leadership in collaboration with the provinces and territories to ensure children in families in receipt of income assistance are not discriminated against, and made worse off, due to their family’s source of income. Federal action is needed to:

- Ensure children in lone parent families receiving income assistance retain child support payments currently deducted from their incomes.
- Ensure child-related EI benefits are not deducted from provincial income or disability benefits by adding conditions to the CST.

**The Role of Basic Income**

The concept of a Basic Income (BI) continues to inspire hope for some and anxiety for others across Canada. Ontario’s three-year BI pilot is in progress.\(^46\) Both British Columbia and Prince Edward Island’s governments have announced intentions for pilots, though the details are unconfirmed.

Campaign 2000 believes that like all income security programs, BI must be designed to eradicate poverty and contribute to reducing income inequality by raising the income floor. BI has the potential to decrease stigma and enhance dignity; but it is not a silver bullet against poverty. Rather, BI must complement a strong program of public and social services, a well-developed strategy to create quality jobs, and robust employment standards that support families to escape poverty’s multiple dimensions.\(^47\)
A new report shows income inequality at stubbornly high levels from 2000-2015. Looking specifically at earnings of families with children, it shows that the richest 10% of families in Canada earned 181% of the average family’s earnings, indicating “the intractable, stubborn nature of labour market income inequality in this country.”49 Those families in the bottom 50% of the earnings distribution saw their earnings flatline at 21% of the total over the first 15 years of this century.50

Movement by the provinces towards boosting wages is welcome news – especially for women, who are 60% of minimum wage workers in Canada.51 Alberta, Ontario and British Columbia have all announced gradual movement towards $15/hour minimum wages by 2018, 2019 and 2021, respectively.52 The wages of workers in federally regulated industries should not lag behind.

Job loss and illness are extremely stressful for any worker, and further improvements to Employment Insurance (EI) can better cushion such shocks. For August 2017, there was a slight uptick in unemployed people receiving Regular EI benefits to 43% (from a previous 42%). This may be linked to the elimination of the 910-hour requirement for new hires/re-hires, a welcome change but just the first of needed reforms to improve EI access for precariously employed women, young adults, racialized workers and newer immigrants. It is worth noting that 43% is still far below the coverage rates Canada once had when 80% of the country’s unemployed were receiving EI (UI).

We remain concerned about now-tabled Budget measures relating to maternity/parental leave that include an 18 month leave option at a benefit rate of only 33% for the full duration. There was no gender...
impact analysis of this Budget measure. It is a dangerous precedent, creating a discriminatory two-tier system with the introduction of an exceptionally low benefit rate expressing a preference for high income families who might afford this option.

**Recommendations:**

- Adopt an agenda to address under-employment and enhance equity through infrastructure funding with obligations in hiring and pre-apprenticeship training for marginalized groups; a Green Jobs Strategy to build skills for green industries; Community Benefit Agreements to provide for local jobs and community economic development; robust social infrastructure, particularly national child care spending that includes capital funding and infant care.53

- Implement an inflation-indexed federal minimum wage of $15/hour.

- Implement an enhanced medicare program that includes pharmacare, dentistry and various rehabilitation services given that many workers do not have workplace benefits.

- Review the EI system to determine what changes are needed to ensure precariously and temporarily employed workers have access to benefits.54

- Increase EI benefits so they provide at least 60% of earnings using workers’ 12 best weeks over the previous year. Reduce regional EI coverage disparities by establishing a 360 hour entry requirement to establish a basic claim anywhere in the country and by extending benefit duration according to a formula based on an average unemployment rate of 6% or more over the previous 12 month period. This will improve access to EI in labour markets with chronically high unemployment.55

- Create a 26-week EI sickness benefit (now 15 weeks), as an increasing number of workers find themselves without a workplace disability plan.

- Replace the current EI Family Supplement with a new low income supplement, based on an individual’s EI premium-payer entitlement. The current EI Family Supplement goes to an incredibly low 4% of claimants and is inappropriately family income-tested.

- Increase EI access for more families; boost benefit rates above the already too-low 55% of normal earnings; provide an additional 8 weeks of dedicated leave for a second caregiver (especially fathers, as a gender equality measure); and, restore migrant workers’ access to EI Parental and Compassionate Care benefits.

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Statistics Canada. Table 206-0031 - Upper income limit, income share and average of total income for economic families by decile, Canada and provinces, annual, CANSIM
Fair Taxation is Essential to Poverty Reduction

Fair taxation has been a hot topic in the news through 2017. Campaign 2000 supports the federal government’s recent proposals to restore fairness to the income tax system by closing loopholes that allow some wealthy Canadians to reduce taxes by using private corporations. Currently, unfair tax loopholes “exacerbate inequality, and undermine the integrity of our tax system and the ability of government to fund the social and physical infrastructure needed to ensure a healthy and growing economy.”

After decades of regressive changes to the personal and corporate taxation system, Canada is below the OECD average of tax-to-GDP ratios, ranking 25th out of 35 countries.

We call on the federal government to build on its work to date by implementing a full tax fairness strategy that raises fiscal capacity to invest in children and families and address the gaping inequality of income, earnings and opportunity between the rich and the rest.

A Universal Childcare System: Indispensable for Ending Child Poverty

A universal, publicly-funded, high quality childcare system has always been a key element in Campaign 2000’s anti-poverty plan. Universal early childhood education and care (ECEC) is necessary for parents to escape poverty through workforce and education participation, for making women’s equality a reality and for ensuring that all children, including those who are low income, Indigenous and newcomers to Canada, can benefit from quality ECEC. Quality ECEC supports child development and school readiness and is an important buffer from the negative effects of poverty.
Campaign 2000 believes ECEC should be a universal program because the evidence shows this to be the most effective way to support families and children across the economic spectrum. But Canada remains an outlier—one of a few wealthy countries without a plan for universal ECEC, forcing parents to rely on a patchwork market funded mostly by their fees.

Canadian ECEC not only fails to support the majority of families but weak policy and underfunding ensure that unequal access is the reality across Canada, despite the fact that the bulk of public funding outside Quebec is targeted to disadvantaged families.

The issues families face daily are substantively the same in all regions:

• The limited supply of spaces covers only 1/4 of children aged 0-5 years; childcare for infants/toddlers is even more scarce.58

• Regulated childcare is unaffordable for most families. A 2016 study found that 75% of Toronto families cannot afford childcare; median fees outside Quebec reach $1600/month/per child. Fee subsidy schemes fail the low income families they are intended for; long wait lists and hefty surcharges keep many out.59 (See Chart 11)

• Quality indicators such as staff training and limited available data show many services falling short of the high quality critical for benefiting children, especially lower income children. Poorer quality for-profit childcare dominates in some regions and is growing.60

• 77% of mothers of three-to-five year olds are employed but lack of childcare keeps some single or low income mothers out of the workforce.61

A 2015 election commitment to develop a National Early Learning and Childcare Framework based on “research and evidence-based policy” as a “first step towards affordable, high-quality, flexible, fully inclusive child care”—and a parallel Indigenous framework has resulted in a Framework tabled by the federal government in June 2017. It specifies targeting families “in need” but includes few details. Requiring agreements with each province/territory, it is accompanied by a 10 year funding commitment reaching only $850 million in the last year—far short of 1% of GDP, the international public spending benchmark for ECEC.

As one of the leaders developing the Shared Framework for building an early childhood education and care system for all—a roadmap to guide the National Framework—Campaign 2000 and our national partners contend that neither the framework nor the allocated funds approach adequacy going forward. Nor is it appropriate to suggest that the Canada Child Benefit is a workable way for low income parents to cover childcare fees as the government now suggests; parents need a supply of high quality spaces, not merely cash, to access child care. Additionally, the CCB is too low to allow low income parents to cover childcare fees.

There is substantial evidence that a publicly-funded childcare system based on the principles of universality, high quality and comprehensiveness is the best way to move ahead. Campaign 2000 believes the federal government must ensure that public policy moves Canadian childcare away from the current unequal market model towards an equitable, planned, publicly-funded system, with a long-term policy goal of developing sufficient high quality affordable services over time to include all families.
Homelessness in Canada

More families are becoming homeless. In 2016, families stayed in shelters twice as long as individuals and 89% of families in shelters were female led. Shelters across Canada run at over 90% capacity on average with youth making up 18.7% of shelter users, while 4.2% are children. Inexcusably, Indigenous families are disproportionately affected. One in five Indigenous people living off reserve are homeless or live in overcrowded, unsafe or inadequate housing while half of Indigenous people living on reserve have housing that does not meet housing standards.
Housing for All

Lack of good quality, affordable housing threatens the safety and wellbeing of children and families living in poverty. Housing instability and poor housing quality are associated with poor outcomes in development, behaviour, education and health for children and youth.65,66 Safe, stable and affordable housing is scarce and many parents do not have the choice of providing a healthy environment for their children. Fear of increased exposure to systems such as immigration and child welfare keep families in inadequate living situations,67,68 while housing scarcity keeps women in violent households and families in substandard conditions.69 Parents living in poverty are forced to choose from limited housing options and have few paths to a safe family home.

The Canadian housing context is dire. In 2011, 12.5% of households were in core housing need, meaning housing was inadequate, in need of repair, unaffordable, or not a suitable size or make-up for the family composition. Of these households 42.2% were in severe core housing need, spending over 50% of their income on housing.70 Toronto and Vancouver have the lowest rental vacancy rates in North America,71 and in the wider Canadian context housing prices have increased almost 3 times faster than the average income.72

Canadian families are struggling, and the international community has taken notice. Canada spends less than half of what similar countries such as New Zealand and Australia spend on social housing,73 and has a lower stock of social housing than 15 other OECD countries.74

Campaign 2000 awaits the National Housing Strategy, and urges concrete steps that adequately address the scope and urgency of the housing crisis.

Recommendations:

• Commit to adequate, stable, long term funding for a variety of social housing projects;

• Prioritize the building of new units, including supportive housing for people with disabilities, mental health concerns or addictions, as well as the maintenance of existing stock;

• Implement a portable rent supplement program paid directly to tenants in need, that is designed with input from the housing sector, including tenants;

• Ensure the Indigenous Housing Strategy includes funding for urban, rural and on reserve housing initiatives and increases funding for Indigenous support and service organizations to build capacity and autonomy for Indigenous nations. Wherever possible, housing should be built and managed by Indigenous housing organizations;

• Align the National Housing Strategy with the Poverty Reduction Strategy and the Truth and Reconciliation Commission’s Calls to Action to ensure all strategies are working together to prevent homelessness and housing precarity;

• Develop strategies to address the unique needs of populations that are overrepresented in homelessness such as single mothers, LGBTQ2S youth, and Indigenous peoples;

• Increase the availability of emergency accommodation for families in crisis, particularly considering the needs of families experiencing violence in the home and families at risk of child welfare apprehension due to housing inadequacy.

Food Insecurity is a Serious Public Health Problem

Although Canada is a wealthy country, 4 million Canadians struggle to put food on the table and must make difficult choices about their diets.75 Food insecurity is defined as inadequate or insecure access to food due to financial constraints and is a serious public health problem in Canada.76 Food insecurity includes parents going without food to ensure their children can eat or restricting when children's friends can come over because they may want a snack. It is an isolating experience that hangs over the heads of many families across Canada.77

In 2014, 12% of households in Canada experienced food insecurity, and 17.2 % of children were food insecure.78 Even in the most food secure provinces of Quebec and Alberta, close to 1 in 6 children are food insecure.79 These numbers increase at an alarming rate when looking at our northern territories; in the Northwest Territories, 29% of children experienced food insecurity and in Nunavut 60% of households were food insecure.80 Canadians living in remote areas, lone-parent led families, renters and Indigenous peoples were all at increased risk for food insecurity.81
Unfortunately, we do not know the full scope of the issue because monitoring food insecurity is an optional component of the Canadian Community Health Survey. In 2015 and 2016, Ontario, Newfoundland and Labrador and Yukon chose not to monitor food insecurity.

Food insecurity has many adverse affects on physical and mental health. For children particularly, food insecurity is linked to an increased risk of asthma, depression and suicidal ideation. For people who already have chronic conditions such as diabetes, managing their condition is much more difficult while experiencing food insecurity. Considering these harmful effects, Canada needs to do better for the almost one million children facing a more difficult future due to food insecurity.

Food insecurity is not about people lacking cooking skills or living too far from a grocery store. It is an economic issue. Low social assistance rates create food insecurity, over 60% of people reporting social assistance as their main income are food insecure. Low wages also contribute; 62.2% of food insecure households are working. Food insecurity is a critical issue affecting a wide variety of families in Canada. Poverty and food insecurity are inextricably linked, and Canada needs strong policies and programs that will provide families with the resources to afford a healthy diet.

Recommendations:

- Make the reduction of household food insecurity an explicit target of the Poverty Reduction Strategy and monitor progress towards this goal.
- Ensure social/income assistance, funded through the Canada Social Transfer, lifts recipients out of poverty and eliminates food insecurity among families receiving assistance.
- Create a targeted GST Top-Up of $1800 each for all low income adults and children.
- Mandate all provinces and territories to collect data on food insecurity as part of the Canadian Community Health Survey to illustrate the national scope of the issue, assist with program planning and support the design of solutions.

Provide Youth with Reasons for Optimism

The unique challenges of youth in Canada require federal action to lift them out of poverty and provide them with equal opportunities. Youth who have grown up with the stress of hunger, homelessness, instability and social exclusion associated with childhood poverty face challenges in finding solid ground in post-secondary education, sustaining work and family life, and in managing the transition to adulthood. Youth who belong to marginalized groups are burdened by barriers caused by colonialism, racism, sexism, homophobia and transphobia, ableism and xenophobia. Youth who age out of the child welfare system face the stress
of limited social networks and supportive services to transition to independence.

Young people face the rising costs of post-secondary education and housing and the proliferation of precarious work. Family formation in Canada has shifted, with youth living with their parents longer than in the past and delaying starting families. The share of youth between 20-34 living with at least one parent has risen to 34.7%; while the share of youth living with their own family and without their parents dropped from 49.1% in 2001 to 41.9% in 2016.88

Access to post-secondary education poses a challenge to youth from low income households and a further challenge if they come from marginalized communities. Over the last 25 years, there has been a real increase in tuition fees of 137%.89 This is partially due to declining federal and provincial funding - in 1982, government funding supplied 83% of university operating revenue compared with 55% today.90

Students are left bearing the burden of skyrocketing tuition with the average debt load carried by a university undergraduate at a hefty $28,000.91 With nearly one in three precarious jobs requiring a university degree, repaying such burdensome debts can take much longer than expected and eat into earnings otherwise directed towards child-related expenses, housing down payments or savings.

Young people face a labour market that is far more unstable than that of their parents’ generation, often lacking job security and benefits. With nearly a third of workers who are temporarily employed between 15 and 24 years old, the game of life feels rigged to many youth.92 The Governor of the Bank of Canada has flagged youth unemployment, now at 11.2%,93 as a concern, noting that youth are particularly discouraged about the labour market and “working part time when they would rather work full time, or they’ve dropped out of the labour market entirely.”94

Action toward equity and opportunity is needed immediately to restore young people’s sense of optimism.

Recommendations:

• Prioritize youth job creation through infrastructure spending and a focus on apprenticeships and jobs with decent pay and opportunities for advancement. Lead by example by instituting a $15/hour federal minimum wage for workers regardless of age.

• Support age appropriate housing and supports delivered through a targeted Housing First for Youth framework to eliminate homelessness and housing instability.95

• Create universal access to post-secondary education by eliminating tuition fees. Ontario and New Brunswick’s recent tuition-relief programs targeting low and modest income students offer examples that the Federal Government can build upon.96
A Global Challenge for Canada: End Poverty in All Its Forms

Campaign 2000 works in partnership with international agencies and often examines Canada’s poverty issues through a global lens. UNICEF’s Report Card 14 provides us with a reality check showing where Canada stands globally on a number of child-centred measures. While Canada is doing relatively well in some areas such as education and low-rates of neonatal mortality, our rankings are woefully low in others. For instance, our country ranks 32 out of 41 rich nations in its efforts to meet the global goal to “end poverty in all its forms” and 37 out of 41 in reaching the goal to “end hunger, achieve food security and improved nutrition.”

International research consistently shows that in many OECD countries children are more likely to live in poverty than other age groups or the general population. It is alarming that Canada ranks 25 out of 43 countries for high child poverty rates. It is striking that countries such as Denmark, Finland, Korea and Norway seem to do well in keeping their child poverty rates well below 10%, whereas at the other end of the spectrum, Brazil, South Africa and China all have severely high child poverty rates, ranging from 30% to 40%.

A new report from UNICEF Office of Research - Innocenti examines the growing inequality and unequal opportunities in rich countries and states: “countries with greater income inequality among children have lower levels of child well-being and higher levels of child poverty.” The disturbing conclusion it draws is that income inequality among children is growing in rich countries. Based on the research, it finds that “the more the income share is accumulated at the top, the more likely the poorest children are to fall behind.”

In the latest global ranking, Canada is at a miserable 25th place in child well-being out of 41 rich countries. As well, UNICEF research shows that from 2007 to 2017, Canada’s ranking in this area has been declining. In assessing the situation, UNICEF Canada points out “wider income inequality is sustaining high rates of poverty, social competition and stress that affect children broadly and make life more difficult for the poorest.”

Sound Public Policy Makes a Difference

Public policy at both federal and local levels can make a huge difference in reducing child poverty. Indeed, government transfers reduced child poverty in Canada by 11 percentage points in 2015. Acting on recommendations to boost investments in social programs and strengthen the social safety net can help Canada become a world leader in terms of children’s health, well-being and achievement.
Endnotes

1 According to the Assembly of First Nations: ‘First Nations’ refers to one of three distinct groups recognized as “Aboriginal” in the Constitution Act of 1982. The other two distinct groups characterized as “Aboriginal” are the Métis and the Inuit. There are 634 First Nation communities (also known as reserves) in Canada, with First Nation governments. First Nations have a unique and special relationship with the Crown and the people of Canada as set out in the Royal Proclamation of 1763 and manifested in Treaties, the Constitution Acts of 1867 and 1982, Canadian common law and International law and as outlined in the United Nations Declaration on the Rights of Indigenous Peoples. Retrieved from: http://www.afn.ca/description-of-the-afn/

2 The umbrella term Indigenous includes the three primary groups with Aboriginal rights as outlined in Canada’s constitution. They are: First Nations, Métis and Inuit. We name First Nations and use the term Aboriginal deliberately in order to be consistent with the language used in cited sources and to maintain the specificity of reported data.

3 Jordan’s Principle calls on all government institutions and departments to ensure that children’s needs are met first and to resolve jurisdictional disputes later.

4 Statistics Canada data on low income always have a 2-year time lag.


6 Statistics Canada constructs households and family income levels by matching individual tax files, though family income calculations do not include income from other relatives living in the household.


8 Statistics Canada - 2016 Census. Catalogue Number 98-400-X2016173. Statistics Canada notes that “estimates associated with this variable are more affected than most by the incomplete enumeration of certain Indian reserves and Indian settlements in the 2016 Census of Population.” This means this figure likely underestimates poverty among First Nations people in Canada.


12 Ibid.


14 Statistics Canada custom tabulation, Income Statistics Division, T1 Family Files 2015.


Jordan’s Principle calls on all government institutions and departments to ensure that children’s needs are met first and to resolve jurisdictional disputes later.


Ibid.


A low-income spell is considered to be chronic if it lasts for 5 or more consecutive years, according to Picot, Garnett and Lu, Y. (2017 September 29). Chronic Low Income Among Immigrants in Canada and its Communities. Statistics Canada.

Ibid.


43 The CST is a federal block transfer to provinces and territories in support of post-secondary education, social assistance and social services, and early childhood development, early learning and childcare.

44 Data provided by John Stapleton, Metcalf Innovation Fellow and from Anne Tweddle for Open Policy Ontario.


50 Ibid.


54 Ibid.


57 OECD. Revenue Statistics 2016 – Canada. OECD Centre for Tax Policy and Administration.


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87 Ibid.


93 Statistics Canada. Table 282-0103: Labour force survey estimates (LFS), by immigrant status, sex and detailed age group, Canada, 3-month moving average, unadjusted for seasonality, monthly (persons unless otherwise noted), CANSIM (database). (accessed: 27 October 2017).


99 The data is based either on 2014 data or the most recent year such data is available.


102 Ibid.


104 Ibid.
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