

BRITISH COLUMBIA

2019 BC CHILD POVERTY REPORT CARD

SUMMARY REPORT

November 24, 2019 marked **30 years** since the all-party House of Commons resolution to end child poverty by the year 2000 was signed. Unfortunately, in the three decades since, child and family poverty persists.



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ADVOCACY COALITION

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CAMPAIGN **2000**
END CHILD & FAMILY
POVERTY

23RD ANNUAL REPORT CARD ON CANADA'S COMMITMENT TO END CHILD POVERTY BY 2000

ABOUT THIS YEAR'S REPORT CARD

Since 1996, the BC Child Poverty Report Card has been released each year on November 24, in conjunction with the release of child poverty report cards across Canada, marking the anniversary of the all-party House of Commons resolution to end child poverty by the year 2000.

Due to a change in the timing of Statistics Canada data, the 2019 report card is being released in this preliminary summary form in January 2020.

The full data will be released in Spring 2020 at stillin5.ca

2019 BC CHILD POVERTY REPORT CARD

PRELIMINARY RESULTS SUMMARY

JANUARY 2020

PRODUCED BY



IN COLLABORATION WITH



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CHILD POVERTY REPORT CARD 2019: CHILD AND FAMILY POVERTY PERSISTS

BC CHILD POVERTY IN 2017

November 24, 2019 marked 30 years since the all-party House of Commons resolution to end child poverty by the year 2000 was passed unanimously. Unfortunately, in the three decades since, child and family poverty persists.

- In 2017, one in five children in British Columbia were still growing up in poverty. 19.1% of children in B.C. lived in poverty representing 163,730 children. This is down slightly from 2016, with 172,550 children and a poverty rate of 20.3%. Included in the total number of poor children, 51,760 were under the age of six.
- Overall, B.C. had the 8th highest child poverty rate out of all the provinces and territories and was slightly higher than Canada's child poverty rate of 18.6%.
- At 19.1%, child poverty in B.C. was higher than the 18.4% poverty rate for people of all ages. 53% of poor children are living in lone-parent families and, for the first time since 2009, the number of poor children in lone-parent families increased, from 81,960 in 2016 to 86,690 in 2017. This is the first time we have seen children in lone-parent families make up over half of B.C.'s poor children.
- The child poverty rates across British Columbia's regional districts varied from 15.3% in the East Kootenay Regional District to 42.5% in the Central Coast Regional District. Many of the regional districts with the highest child poverty rates were located in coastal areas, particularly along the north and central coastal areas.

In 2017, one in five children in B.C. were still growing up in poverty. 19.1% of children in B.C. lived in poverty representing 163,730 children.

In recent years, both the Canadian and B.C. governments introduced poverty reduction strategies including legislated targets and timelines. While this is a good start, many of the initiatives have yet to be implemented and there are some important questions to be raised about whether they will continue to be a priority for the federal government in light of new cabinet priorities.

B.C.'s 2019 budget announced a greatly improved child benefit that will be available to families beginning in the fall of 2020. At the same time, government aims to reduce child poverty by 50% by 2024. While there has been an incremental reduction in family poverty in recent years attributable to market incomes, government transfers including the Child Opportunity Benefit and the Canada Child Benefit are critical to lifting children and their families out of poverty. We applaud government for these initiatives.

Eliminating child poverty is critical because we know the impacts of living in deep poverty are devastating for children and youth. They can even have a higher risk of becoming homeless and, potentially, being removed from their families and placed in government care.

Poverty is the most important social determinant of health. Long-term studies show that even access to universal medical care cannot overcome the likelihood that growing up poor will lead to life-long, persistent health issues. And new research indicates that growing up in poor communities is a reliable predictor of limited socio-economic mobility as an adult.

Poverty rates are significantly higher for recent immigrant children (44.9%), Aboriginal children (off-reserve 30.9%), and racialized children (23%), using 2016 Census data. Children with disabilities also have higher rates.

All levels of government must ensure poverty reduction strategies are properly resourced, targeted at the most marginalized families and implemented in a timely way. Children can't wait.



Child vulnerability in BC has continued to increase over the past decade from 32.2% (2013–2016) to 33.4% (2016–2019) in the number of kindergarten students starting school with vulnerabilities in one or more areas that are critical to their healthy development. Poverty is one of the most powerful predictors of poor developmental outcomes. — Evidence from BC's Wave 7 Early Development Instrument trend data from the Human Early Learning Partnership at UBC

BC'S CHILD POVERTY RATE, 2017 AND OVER TIME

BC's 19.1% child poverty rate was slightly higher than the poverty rate of 18.4% for BC's overall population. The same was true for the Canadian rates, with a child poverty rate of 18.6% that was higher than the all-ages rate of 16.6%. Child poverty rates remain higher than overall poverty rates in every province and territory, except Quebec, an alarming fact that shows how urgently we still need to improve financial and social supports for families with children across the country.

It is worth noting, however, that the gap between the all-ages rates and the child poverty rates continued to narrow in nearly all provinces and territories between 2016 and 2017, as child poverty rates declined faster than the overall rates. This likely reflects the impact of the first full year of the Canada Child Benefit for families with children which came into effect in July 2016. In BC the gap between the two rates decreased from 1.6% to 0.7%.

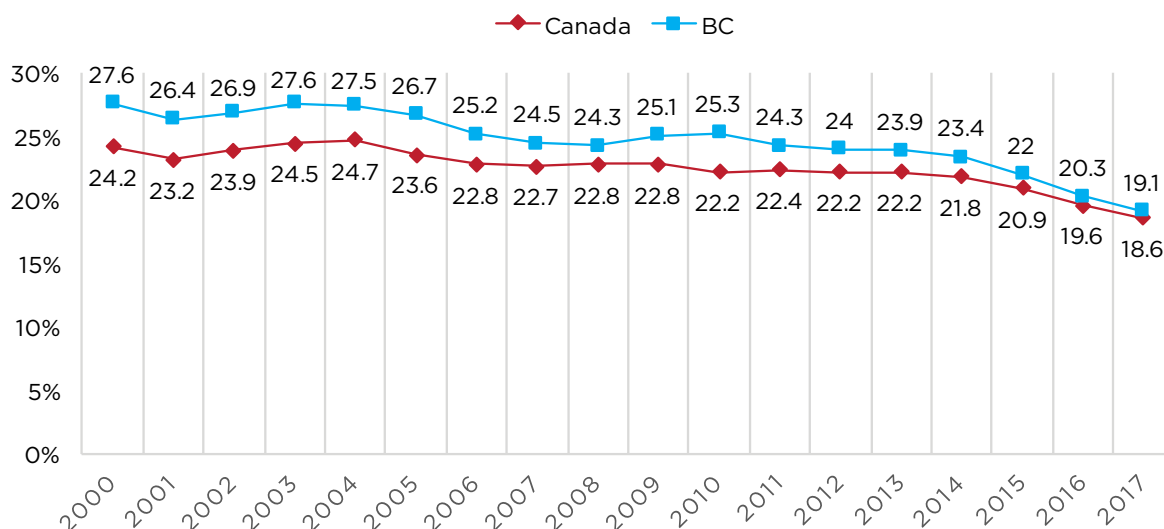
As of 2017, about one third, or 51,760, of BC's poor children were under the age of 6, representing a young child poverty rate of 18.9%. For this age group, BC is doing better than the Canadian average, as the national rate is 19.6%. Similar to last year, the BC poverty rate for younger children has remained very slightly lower than the overall child poverty rate.

For every year out of the past eighteen years (2000–2017), British Columbia has had a higher child poverty rate than Canada, based on the Census Family Low Income Measure (CFLIM), after tax. However, the gap between the two poverty rates has been narrowing. In 2017, BC's child poverty rate was 19.1%, 0.5 percentage points higher than Canada's rate of 18.6%. This is the smallest gap between the federal and provincial rates during the 2000–2017 period.



BC's child poverty rate from 2000 to 2017 remained consistently higher than the Canadian average.

Child Poverty Rates, Canada and BC, CFLIM-AT, 2000–2017



Source: Statistics Canada. Table 11-10-0018-01 After-tax low-income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

BC CHILD POVERTY BY FAMILY TYPE

For the past fourteen years (2004–2017) more than half of all children in lone-parent families in BC have lived in poverty. In 2017, the child poverty rate for children in lone-parent families was 51.4%, nearly five times the 10.6% rate for their counterparts in couple families.

While one in five BC children (19.7%) were in lone-parent families in 2017, over half (53%) of all children living in poverty in BC were in lone-parent families. In previous years the number of children in lone-parent families has been decreasing, but from 2016–2017 the proportion increased slightly—from 19.2% of all children in 2016 to 19.7% in 2017.

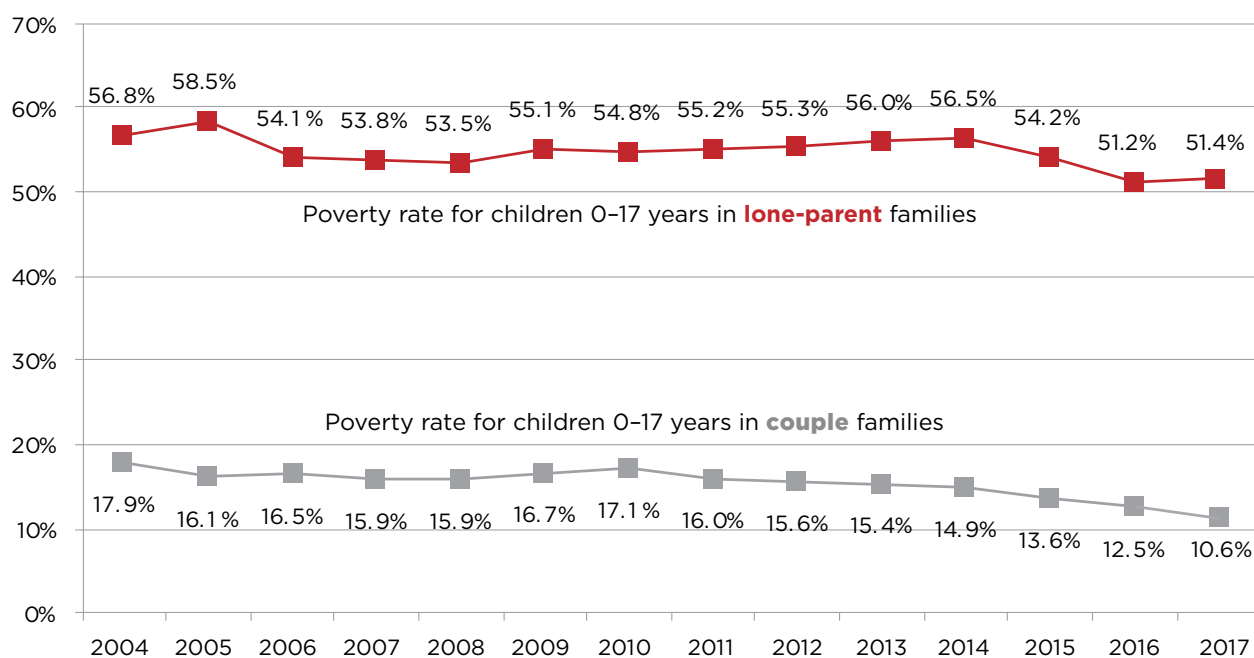
The number of poor children in couple families in BC decreased by 13,720 between 2016 and 2017, while the number of poor children in lone-parent families increased by 4,730. British Columbia had far too many poor children in both couple families (72,070 poor children) and lone-parent families (86,690 poor children) in 2017.

The gender inequality gap persisted with the median income for female lone parent households at \$44,960, just 72% of the \$62,550 median income for male lone-parent households.

One in every two BC children of single parents were poor in 2017.



Child Poverty Rate by Family Type, CFLIM-AT, British Columbia, 2000–2017



Source: Statistics Canada. Table: 11-10-0018-01, 2017

POVERTY AND WORKING PARENTS

In BC, a lone parent working full-time at minimum wage in 2017 would have earned only \$20,010. Two parents working full-time at minimum wages would have earned an annual combined income of \$40,019. These incomes were much too low to lift families with children out of poverty and with the minimum wage now at \$13.85, a lone working parent with one child would still be below the 2017 poverty line.

Cost pressures continue to increase putting more strain on a family's income. Housing, the single largest expense for most people is increasingly unaffordable. Conservatively, 33% of lone-parent households in Canada are in core housing need¹ (meaning the cost of housing exceeds 30% of their income). The Canada Mortgage and Housing Corporation estimates that 27% of female lone-parent family households are in core housing need.

According to a study by the Canadian Centre for Policy Alternatives, a person working full time in Vancouver would need to make \$35.43 an hour to afford an average-priced two-bedroom apartment.

The median monthly cost of child care, another large expense for young families, is \$1,325 in Vancouver up by 35% since 2007.²

The cost of food is rising and year-over-year food banks report that 30% of their users are children and youth. The BC government estimates that a family of four needs to spend \$11,900 a year for nutritious food.

CHILD POVERTY AND FAMILIES ON WELFARE

It is a major struggle for families on welfare in British Columbia to meet their basic needs. Welfare benefits and government transfers from the federal and provincial governments provided just \$19,795 in total income for a lone parent with one child in BC in 2016, which was only 66% of the \$30,029 poverty line for this family type. This family's total welfare income left them \$10,234 below the poverty line.

In 2017, a family of four on welfare had to get by on \$25,976. That's **39% below the poverty line** leaving a poverty gap of \$16,492.

Source: Maytree/Caledon Institute of Social Policy, Welfare Incomes in Canada, November 2017

For a couple with two children on welfare in 2017, their total income was \$25,976 which was 61% of the \$42,468 poverty line, leaving a poverty gap of \$16,492.

In 2017, total welfare incomes for both single and couple households with children increased in every province. This is attributable to the first full year of the Canada Child Benefit. B.C. ranked 8th among the provinces for welfare incomes for lone parents with one child and had the lowest annual 2017 welfare income for couples with two children.

1 Canada Mortgage and Housing, cmhc-schl.gc.ca/en/data-and-research/core-housing-need/core-housing-need-data-by-the-numbers

2 BC Government, "Poverty Reduction," engage.gov.bc.ca/bcpovertyreduction/poverty-reduction-101/

FOOD INSECURITY

Poverty is the root cause of food bank use. A new study, *Money speaks: Reductions in severe food insecurity follow the Canada Child Benefit*, found that a significant decrease in food insecurity in the lowest income families corresponded to an increase in the Canada Child Tax Benefit.



In 2017, there was an average of 38,044 children and youth in families receiving welfare in BC. This is an increase from the 2016 yearly average by over 1,900 children. For most of these families (66%), working is not an option. These families do not fall under the “expected to work” category and have medical conditions, multiple barriers, disabilities and other challenges that prevent them from working.

Low welfare incomes are especially tough on single parent families, who make up 84% of the families with children on welfare.

Both levels of government have a part to play in increasing welfare incomes; for example, the combined federal contribution of \$7,102 and the provincial contribution of \$12,693 for single-parent family welfare incomes in BC in 2017 were inadequate for raising these families out of poverty.

Holly's Story

HOLLY IS A SINGLE MOTHER

of two, Ezra who is 13 and Emily who is 17. Emily is a complex kid with multiple health and developmental challenges including Down Syndrome, autism, Crohn's disease, a seizure disorder and recently developed osteoporosis. Emily is reliant on a feeding tube and since she was born Holly has been her round-the-clock caregiver. Unable to return to work, Holly receives social assistance.



“There’s so much that’s unpredictable. A trip to the hospital for a test can easily turn into a multi-week stay — there’s no way an employer would accommodate that.”

“I don’t know if people fully appreciate what caring for a complex kid entails,” Holly explained. “There’s so much that’s unpredictable. A trip to the hospital for a test can easily turn into a multi-week stay — there’s no way an employer would accommodate that.”

On top of the family’s regular living expenses, Emily needs special medical equipment, a variety of therapies and must travel monthly to BC Children’s Hospital from the family’s home in Nanaimo. While they have been fortunate to receive support from charities to cover some costs, living on social assistance means this family lives in deep poverty.

While Holly is a resilient and effective advocate for her daughter, there are few resources available to support her and Ezra, such as counselling and respite. The families of complex kids are often overwhelmed with care-giving responsibilities and financial worries.

Holly believes that when it’s the best option for the child, family caregivers should be compensated in a similar way to staff in residential care settings.

“I wish the system viewed families more holistically. In the same way my daughter faces barriers, I face barriers to employment. Having a complex needs child should not be a ticket to poverty.”

DEPTH OF FAMILY POVERTY

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

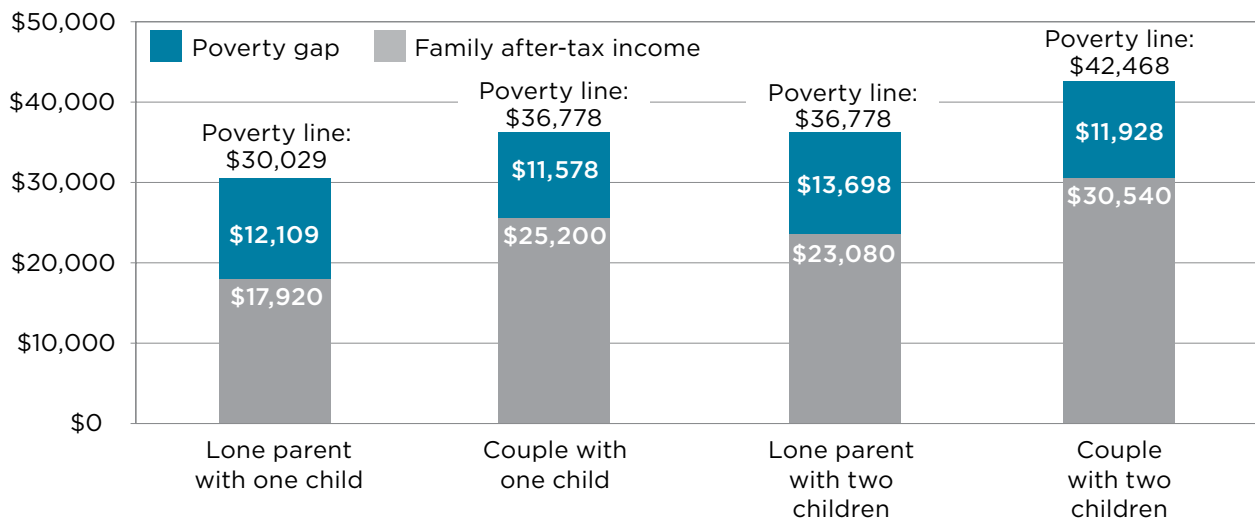
While the poverty gaps for all family types in BC are higher than the national averages in 2017, lone-parent families fared worse, as their poverty gap increased since 2016. Couple families saw their poverty gap shrink.

Not only were many families with children in British Columbia living in poverty in 2017, these families were typically living far below the poverty line, based on the Census Family Low Income Measure Chart.

2017 Thresholds for After-Tax Census Family Low Income Measure

Number of family members	Income Threshold
1	\$21,234
2	\$30,029
3	\$36,778
4	\$42,468

Poverty Gap for Poor BC Families with Children, Based on Median After-Tax Income and CFLIM After Tax (Poverty Lines), 2017



Source: For median after-tax family income: Statistics Canada. Table F-20 After-tax low income status of census families (census family low income measures, CFLIM-AT) by family type and family composition, adjusted methodology, 2016. For CFLIM (Census Family Low Income Measure - After Tax) Income Thresholds: Statistics Canada. Technical Reference Guide for the Annual Income Estimates for Census Families, Individuals and Seniors, T1 Family File, Final Estimates, 2017. Table G. P.11.

Due to systemic discrimination and other factors, the situation is even worse for some groups of children. Indigenous children, new immigrant children, children in visible or racialized minority groups, and children with disabilities all have much higher poverty rates than the BC average.



Recommendations: What Needs to Happen

FIRST CALL 2019 PRELIMINARY RECOMMENDATIONS

- F P** The federal and provincial government's **poverty reduction plans** must be focused on lifting families raising children over the poverty line with both income supports and universal programs. Strategies to reduce poverty, including affordable housing and child care investments, must be fully funded and monitored.
- F P** The federal and provincial governments should **target their efforts to help those who have a higher risk** of living in poverty, including children in lone-parent families, immigrants and refugees, Aboriginal children, racialized children, and those living with disabilities.
- P** The provincial government should move more quickly to **increase the minimum wage** to \$15 per hour, ensure all workers are covered by the minimum wage and index it annually to the cost of living.
- F P L** Governments at all levels should ensure their direct and contract employees are **paid a living wage** that allows them to meet their basic needs, properly support their children and avoid chronic financial stress.
- P** The provincial government should significantly **raise income and disability assistance rates** to bring them in line with actual living expenses and index them to inflation. P
- P** The provincial government should adjust income and disability assistance rates for **families with a child with disabilities** to recognize the costs associated with raising a child with extra support needs.
- F** The federal government should ensure the **Canada Child Benefit**, in combination with other income measures, raises all families with children above the CFLIM after-tax poverty lines calculated from tax filer data.
- F** The federal government should work with the Canada Revenue Agency to **reduce barriers that prevent eligible families** from receiving the CCB, Canada Education Savings Grant and the Child Disability Benefit.
- F** The federal government should ensure **maternity and parental leave** benefits are universally available to all new parents (regardless of work status) and that the benefit levels are not less than the CFLIM after-tax poverty lines.

Federal and provincial government commitments must be ambitious and fully-funded to ensure poverty reduction targets are met or, preferably, exceeded.

Area of responsibility:

- F** Federal
- P** Provincial
- L** Local

APPENDIX: MEASURING POVERTY REDUCTION

When announcing legislated poverty reduction goals in 2018, both the federal and BC governments set the Market Basket Measure (MBM) as the official poverty line. The MBM sets an absolute measure of material deprivation.

The after-tax Low-Income Measure (LIM) captures income inequality which makes it a better predictor of child development and health outcomes. This is why the international community, including UNICEF and the OECD, use the LIM and why Campaign 2000 and its provincial partners have historically used the LIM in our Child Poverty Report Cards, and continue to do so.

In 2017, using the LIM and more comprehensive tax filer data, there were 163,730 children living in poverty in BC. Using the MBM and survey data, there were 81,000. The MBM calculation currently excludes people living on First Nations reserves and the Territories.

First Call encourages government to avoid politicizing child poverty by overstating improvements in the poverty rate. Indeed, we agree that both levels of government have established better public policies— income transfers in particular— that have benefited children and their families. Evaluating the outcomes of policy initiatives becomes difficult when different methods of measurement and data sources produce conflicting results.

In the case of the current MBM calculation, many of the sub indicators, like the cost of housing, are unrealistically low and generate a gap with LIM results that are too great to be explained by reasonable statistical variations. It also under-represents Indigenous communities. Statistics Canada is in the process of updating the MBM to better reflect the current cost of living. They will be proposing updates to this measure in 2020. We look forward to seeing if this will make the measure more reflective of the actual living expenses of BC families.

JOIN US

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

We offer members the opportunity to be a part of a strong and effective cross-sectoral coalition of provincial and regional organizations who put children and youth first through public education, community mobilization and public policy advocacy.

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

If you are interested in joining our coalition, see the [member registration form](#) at firstcallbc.org/our-coalition/join-the-coalition.

For more information, please [email us](mailto:info@firstcallbc.org) at info@firstcallbc.org and we'll be in touch shortly.



ABOUT US



First Call: BC Child and Youth Advocacy Coalition is a non-partisan coalition of over 100 provincial and regional organizations who have united their voices to **PUT CHILDREN AND YOUTH FIRST** in BC through public education, community mobilization and public policy advocacy.

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

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

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

First Call puts children and youth first through **3 STRATEGIES**:

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

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

putting children and youth first

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