Beyond the Pandemic: Rising Up for a Canada Free of Poverty
Introduction

For over 30 years, Campaign 2000 has been tracking government progress to meet their all-party, unanimous objective to end child poverty by the year 2000. Each year, our child and family report cards call for urgent action, bold policies and appropriate investments that work together to end poverty, inequity and systemic discrimination.

Never before have these inequities been so apparent and the need to close gaps so dire.

Before the pandemic ensued, more than 1.3 million children lived in poverty. That is nearly 1 in 5 children in families experiencing the harsh long-term consequences that poverty and discrimination have on social, mental and physical health and well-being, despite Canada’s enormous and growing wealth. First Nations, Inuit, Métis, racialized, immigrant children, children with disabilities and children in female led lone parent families are all overrepresented in rates of poverty, while income and wealth continues to concentrate at the top.

Using the latest income data available, this report reveals some troubling trends prior to the pandemic. The national child poverty rate declined by less than half a percentage point between 2017-2018. Child poverty rates grew in several provinces and territories, including Nunavut, Prince Edward Island, Newfoundland and Labrador, Nova Scotia and Manitoba, and remained relatively unchanged in Alberta, New Brunswick and Saskatchewan. The rates declined modestly in Quebec, British Columbia, Ontario, Yukon and Northwest Territories. Examining the role of the Canada Child Benefit, we find that it had an important impact in the year it was first introduced, but the deteriorating effect on child poverty rates suggests that this impact was front-ended and short-lived.

Widespread precarious work, dismally inadequate social assistance rates, barriers to accessing government transfers, lack of available and affordable housing, childcare, medicare, and little movement towards true Reconciliation have left children and their families vulnerable to the negative health, social and economic impacts of the pandemic and excluded from emergency responses. We agree with the federal government’s proposal in the Fall Economic Update 2020 that an ‘intersectional, feminist and green’ recovery is required to build a thriving future state where no one is left behind. To build that vision, swift and courageous policies and investments will need to be made. The federal government must rise to this once in a lifetime opportunity to improve the lives of millions of children and families. This is our proposal on how it can be achieved.

RECOMMENDATIONS

Federal Poverty Reduction Strategy

- Strengthen the Poverty Reduction Strategy through strategic investments to meet more ambitious goals and set interim poverty reduction targets to be able to measure progress. An investment of $6 billion should be allocated in Budget 2021 with the goal of reducing poverty by 50% between 2015 – 2025 based on the Census Family Low Income Measure After Tax (CFLIM-AT) using T1 Family File data. The Poverty Reduction Act should recognize the right to an adequate standard of living and contain mechanisms to realize these rights such as an all-party appointed advisory council and a poverty reduction advocate who can investigate major systemic issues.
Income Security

• Increase Canada Child Benefit (CCB) allocations in Budget 2021 so that all families with incomes below the CFLIM-AT can access CCB pandemic top-up amounts, no matter the age of their children. Over the short term, ensure that the CCB, in combination with a proposed new benefit called the Dignity Dividend, supports an interim target of a 50% reduction in child poverty by 2025 according to the CFLIM-AT calculated using tax filer data.

• Eliminate barriers to accessing the CCB benefit for families living at higher rates of poverty, including First Nations families on reserve, children whose parents have irregular immigration status, Black and racialized families, children with disabilities, women and gender non-conforming people experiencing domestic violence, to meet an interim target of a 50% reduction of poverty rates in these communities by 2025 according to the CFLIM-AT.

• Ensure that preventing food insecurity among families is a built-in goal of the Canada Child Benefit and reported on as part of Canada’s Poverty Reduction Strategy.

• Convert the Disability Tax Credit to a refundable tax credit and extend compensation to the lowest income people with disabilities.

• Research and develop a parallel community-based benefit eligibility and delivery system for low-income, marginalized non-taxfilers. The federal government must look to other jurisdictions for best practices on financial inclusion immediately, such as delivery by prepaid reloadable credit card systems implemented in partnership with trusted charities, and in the medium term, such as mobile or digital transfers as poverty elimination efforts.

• Increase funding to the Canada Social Transfer (CST) by $4 billion and remove arbitrary growth restrictions as first steps towards ensuring that social and disability assistance programs bring incomes up to the CFLIM-AT. Provide sufficient, stable and predictable funding that recognizes regional economic variations. Design the program to ensure that federal, provincial and territorial governments are accountable for meeting their human rights obligations to provide adequate income support. As part of this, require the development of minimum standards for income benefits and social services funded through the CST. This must include the development of minimum standards such as binding conditions stipulating income supplements including the CCB, Child Disability Benefit, child support payments and child related Employment Insurance benefits are not deducted.

• Make a binding condition of the CST that pandemic emergency benefits, be they the Canada Emergency Response Benefit (CERB), the new Canada Recovery Benefit (CRB) or any other, are not clawed back from social assistance benefits, nor negatively impact any other income benefit, including special allowances for diet, medications, rent subsidies and others.

First Nations, Inuit and Métis

• Collaborate with First Nations, Inuit and Métis governments and Indigenous and women’s and 2SGLBTQQI+ organizations to develop plans to prevent, reduce and eradicate child and family poverty in Indigenous communities. Fiscal relationships are critical to Nation to Nation relationships and must ensure: respect for inherent rights, treaties, title and jurisdiction; full
participation in economic growth; sufficient, predictable, long-term funding for First Nations governments and institutions to achieve wellbeing; and evidence-based closure of socio-economic outcome gaps by collecting data in ways that honour OCAP principles of ownership, control, access and possession to support measurement and reconciliation.4

- Pay full compensation to the First Nations children, parents and grandparents who were harmed by inequitable funding for child welfare services on reserve and lack of adherence to Jordan’s Principle and implement The Spirit Bear Plan to end inequalities across public services.

Child Care

- Immediately set up the Federal Child Care Secretariat announced in the 2020 Fall Economic Update and mandate it to:
  
  o work with the Indigenous Early Learning and Child Care Secretariat;
  
  o consult with the Minister of Families, Children and Social Development’s Expert panel on early learning and child care, child care advocates, policy experts and civil society organizations including anti-poverty organizations and equality rights organization;
  
  o develop a detailed multi-year plan to build a pan-Canadian system of early learning and child care in partnership with the provinces, territories and First Nations, Inuit and Métis Nation governing bodies.

- Immediately allocate $2 billion (to supplement the $625 million transfer to the provinces and territories for ELCC under the Safe Restart agreement) to assist with the safe recovery of licensed childcare. Such funds must be earmarked for restoration and expansion of the number of licensed childcare and early learning spaces; increases in compensation for the childcare workforce to ensure the return and retention of ELCC staff; and stabilization and reduction of parent fees.

- Allocate $2 billion for ELCC in the 2021-22 budget and commit to increasing the allocation each year after by $2 billion (that is, $4 billion in 2022-23, $6 billion in 2023-24, etc.) so that Canada can establish a high quality system of inclusive and responsive ELCC and gradually expand it to provide affordable ELCC for all who want it.

Housing

- Enhance the National Housing Co-Investment Fund with an additional $3 billion annually for new builds and repairs to existing units, allocate $2 billion annually for new supportive housing for vulnerable populations, double the federal contribution to the Canada Housing Benefit and continue its expansion such that it becomes a universal benefit rather than rationed. Accelerate the co-development of the three distinctions-based Indigenous housing strategies and commit to a fourth complementary Indigenous Housing Strategy to effectively address the needs of urban and rural Indigenous people. Ensure that the accountability and remedial mechanisms for those affected by ongoing systemic housing issues are independent, fully resourced and implemented immediately. Ensure that at minimum, 25% of these benefits reach diverse women as per GBA+ commitments under the National Housing Strategy.
Youth

- Create universal access to postsecondary education by eliminating tuition fees and significantly bolster youth employment programs and apprenticeship opportunities.
- Implement post-care financial and social services to First Nations, Inuit and Métis youth who were in child welfare and extend Jordan’s Principle past the age of 18. Reduce inflows into homelessness by implementing a targeted housing strategy and establishing a national framework for extended care and support for youth in child welfare, in collaboration with First Voice Advocates, territories and provinces.

Public Health

- Ensure that First Nations, Inuit and Métis communities co-develop food security strategies to address their unique needs and that further Reconciliation efforts. As part of this, the federal government must move swiftly to identify and implement more effective strategies to address the very high prevalence of food insecurity among families in Nunavut, working in partnership with people in that territory.
- Create legislation and invest $3.5 billion in annual federal transfers to provinces and territories as part of the federal COVID-19 recovery plan and as a first step to full implementation of a universal, comprehensive, public pharmacare system based on the principles and recommendations in A Prescription for Canada: Achieving Pharmacare for All 2019.

Decent Work

- Immediately implement a 15$/hr minimum wage indexed annually to inflation in federally regulated industries.
- Extend emergency benefits beyond 26 weeks, lower the qualifying threshold for temporary EI currently set at 120 hours and set a minimum guarantee (as set by CERB at $500/week).
- Permanently amend the Canada Labour Code to ensure workers have access to seven permanent paid sick days with an additional fourteen days available during public health emergencies.
- Strengthen the federal Employment Equity Act and attach Community Benefits Agreements to all federal investment and recovery programs. Implement disaggregated data collection strategy to inform, monitor and evaluate these expenditures to ensure racialized and underrepresented groups have equitable access and benefits.
- Provide permanent resident status on arrival for migrant workers to ensure access to labour protections, income supports and health benefits.
- Support workers with disabilities through co-developed policy changes, including an expanded and improved Canada Workers Benefit Disability Supplement and enhanced supports through the Canada Pension Plan-Disability program.
• Reform Employment Insurance with measures that should include: expanding access for premium payers currently excluded; extending access to new enrollees; permanently reduce qualifying hours; boost the benefit rate; and eliminate the discriminatory 33% benefit rate for extended parental benefits.

Income Inequality

• Address growing income inequality and generate revenue for poverty reduction programing by eliminating or reducing highly regressive and expensive tax loopholes, closing tax havens, taxing extreme wealth and implementing excess profit tax focused on corporate pandemic windfalls.

Measuring Poverty

The official poverty line in Canada is the Market Basket Measure (MBM), which was entrenched into legislation June 2019 when the Poverty Reduction Act came into effect.

The MBM establishes a low income threshold by costing out a basket of goods and services that an individual or family would need to purchase to have a ‘modest’ or ‘basic’ standard of living in a particular geographic region using five categories: food, clothing, shelter, transportation, and a category of other essential items. Disposable income is then calculated using after tax income (including government transfers) and deducting certain ‘non-discretionary’ expenditures, such as childcare, direct medical expenses and certain payroll deductions. Families that have a disposable income that is less than the threshold are considered to be living in poverty.

The 2008-base MBM was updated in February 2020 to the 2018-base MBM. Included in the update are three new population centre size regions, bringing the total number of baskets for regions to 53 across the provinces (there are no baskets costed for the Territories or First Nation reserves). Several changes to the MBM basket components reflect updated consumption patterns, such as the inclusion of cellular telephone services to the ‘other expenses’ component, and changes to disposable income calculations to address some previous inconsistencies. Despite the update, the MBM is a limited measure that underestimates the rate of poverty. This report relies on data from the T1 Family File (T1FF) tax filer data (unless otherwise noted), a reliable and broad source of annual income data that includes communities with high prevalence of poverty who are not included in MBM calculations, such as populations of the territories, First Nations people living on reserve, those living in institutions and parents under 18. The Census Family Low Income Measure, After Tax (CFLIM-AT) is defined as 50% of median income. While it is the latest income data available, it still lags by two years. It therefore does not capture the profound impacts on income and poverty rates that the pandemic has likely had on families. It does, however, point to the severity of poverty and economic vulnerability prior to the pandemic.
Chart 1 illustrates the discrepancy between the two poverty measures. According to the updated MBM, the child poverty rate was 10.8%, representing 748,000 children living in poverty in 2018. According to the CFLIM-AT, the child poverty rate was 18.2% for the same year, representing 1,337,570 children living in poverty. This was a difference of 589,570 children who are not considered to be living in poverty according to the official poverty measure but who will experience the same adverse impacts associated with poverty. Policies and programs must ensure their needs are also met, as per the rights-based approach outlined in the federal poverty reduction strategy and in this report.

**Figure 1: Census Family Low Income Measure, After-Tax 2018 Thresholds by Family Type**

<table>
<thead>
<tr>
<th>Family Type</th>
<th>CFLIM-AT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person (no child)</td>
<td>21,833</td>
</tr>
<tr>
<td>Lone parent with one child</td>
<td>30,877</td>
</tr>
<tr>
<td>Lone parent with two children</td>
<td>37,816</td>
</tr>
<tr>
<td>Couple with one child</td>
<td>37,816</td>
</tr>
<tr>
<td>Couple with two children</td>
<td>43,666</td>
</tr>
</tbody>
</table>

Child and Family Poverty Today

Almost six million people in Canada lived below the Census Family Low Income Measure After Tax (CFLIM-AT), or 16.5% of the population, in 2018, of which 1,337,570 were children. This represents 18.2% of children suffering from the ongoing and long-term physical, mental, and emotional harms of poverty. The rate of poverty for children under six is higher, at 19.2% representing 451,940 children. These higher rates are of particular concern given the importance of this developmental period for lifelong educational and occupational attainment, physical and mental health, which can be adversely affected by in these younger years.

Across Canada, rates of child poverty vary by geography. In 2018, Nunavut had the highest child poverty rate in the country at 32.4% and Yukon the lowest at 11.2%. Among provinces, Manitoba had the highest rate at 28.3% and Quebec the lowest at 14.6%. Only three, Quebec, Alberta and Ontario, had rates of child poverty below the national average (chart 2).
Is progress on child poverty stalling?

Despite Parliament’s 1989 unanimous adoption of the resolution to end child poverty by the year 2000 - the event that gave birth to Campaign 2000 - the deadline passed without achieving the goal. In fact, the percentage of children living in poverty grew over this period to the point where one four Canadian children were living in poverty.

From 2003-2015, child poverty rates declined incrementally, after which poverty reduction accelerated, due, in part, to the introduction of more generous child benefits by the new Liberal government. From
2015-2017, Canada saw the number of children in poverty fall by 145,700 and the child poverty decline from 20.9% - 18.6% (chart 4).

Progress in the last year for which data is available has been disappointing, however, as the national child poverty rate declined by less than one-half of one percent from 18.6% in 2017 to 18.2% in 2018, reflecting 19,410 fewer children living in poverty. From 2017-2018, Northwest Territories had the largest percentage point reduction in child poverty rates of 1.2%. Meanwhile, Yukon, Ontario, British Columbia, Quebec and Saskatchewan had reductions in the range of 0.1 - 0.7 (chart 5).

Of concern, however, are the increases child poverty in several provinces and territories, including Nunavut, whose 1.2% child poverty rate increase was the largest of all Canadian jurisdictions. Others that saw a jump in 2018 were Prince Edward Island (+0.8), Newfoundland and Labrador (+0.6), Nova Scotia (+0.4) and Manitoba (+0.4) (chart 5).

The Canada Child Benefit (CCB) made an important difference in the rate of child poverty when it was first introduced in 2016, however, this recent deterioration suggests that the impact of the CCB was frontloaded and short term, rather than leading to an ongoing sustained reduction of child poverty.
Assessing Canada’s Poverty Reduction Strategy

Canada’s first poverty reduction strategy became entrenched into law in June 2019, when The Poverty Reduction Act (PRA) received Royal Assent. The PRA adopted the Market Basket Measure (MBM) as the official poverty measure, as well as established poverty reduction targets of 20% by 2020 and 50% by 2030. An advisory council was appointed to monitor progress and continue community engagement until these targets are met.

The PRA has put poverty reduction on the federal government’s long-term agenda. Even though important poverty reduction initiatives had already begun before the onslaught of the pandemic, it has still had disproportionate impacts on low-income and marginalized people. While emergency actions have been taken to provide income and other supports to help people weather the crisis, this moment offers a critical opportunity to learn from and to strengthen the PRA to more effectively address the needs of low income people.

RECOMMENDATIONS

**Poverty Reduction Strategy Act:** Add to the PRA the acknowledgement of the right to an adequate standard of living honouring Canada’s international human rights obligations. Entrench fully resourced and independent mechanisms to realize those rights within this legislation, similar to those in the National Housing Strategy Act.

The Poverty Reduction Advisory Council must not be dissolved once the target of reducing poverty by 50% is achieved as is currently stated in the PRA, rather the Council should have the mandate and resources to continue its work until poverty is eradicated across Canada.

**The Official Poverty Measure:** Replace the Market Basket Measure, which measures material deprivation, with the Low-Income Measure After Tax, calculated with annual taxfiler data. The LIM is a broad, comprehensive and relative measure of poverty. It is designed to measure what this strategy seeks to achieve by way of its three pillars: dignity, opportunity and resilience.

**More Ambitious Targets and Timelines:** The Strategy and PRA should commit to a 50% reduction in poverty between 2015 and 2025 and to eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax calculated with T1 Family File data. These targets and timelines should be the same for marginalized groups who experience higher rates of poverty including First Nations, Inuit, Métis, urban and rural Indigenous Peoples, Black and racialized, people with disabilities, immigrants and female-led lone parent families.

**Budget, Implementation and Evaluation Plan:** A detailed plan describing new and expanded policies, programs, timelines, annual targets, evaluation methods and budget must be developed. These elements are currently missing from the Strategy. Collection and analysis of disaggregated data, as well as ongoing community conversations to gather qualitative data, must inform this plan and work to further GBA+ commitments.

**Advisory Council:** The Advisory Council should be independent and appointed by an all-party committee. It must have the mandate and full resources to evaluate the federal government’s efforts on poverty reduction and report directly to the House of Commons.
Ending Child Poverty in First Nations, Inuit and Métis Communities

Urgent action is required to address the unacceptably high rates of child poverty in First Nations, Inuit and Métis communities. Census data reveals exceptionally high rates for Status First Nations children – 53% on reserve and 41% off reserve live in poverty. Non-Status First Nations children have a child poverty rate of 31% while Inuit and Métis children have poverty rates of 25% and 22% respectively (chart 6).

Child and family poverty, discrimination, and ongoing colonialism lead to greater interaction with child welfare for First Nations, Inuit and Métis children. In Canada, 52.2% of children in foster care were Indigenous, but accounted for only 7.7% of the child population according to Census 2016. This meant 14,970 out of 28,665 foster children in private homes under the age of 15 were Indigenous. In Manitoba and Saskatchewan, more than 85% of children in foster homes were Indigenous. More than half (54%) of Indigenous children placed into the child welfare system were not in homes where the foster parent identified as Indigenous reflecting, in part, how the child welfare system was not built to recognize kinship care or extended families.

Interactions with the child welfare system has long-term negative impacts including higher rates of youth homelessness, poverty, unemployment, lower levels of post-secondary education and increased prevalence of chronic health problems for children. It is often a ‘pipeline’ to the incarceration system where Indigenous peoples are also overrepresented. With the onset of the coronavirus pandemic, risks for children in care increase, including risk for increased maltreatment, gender-based violence, isolation and social exclusion.

The patchwork of services available for First Nations, Inuit and Métis communities are inadequate and have not meet needs. Federalism displaced Indigenous governance and split power, authority and jurisdiction between the federal government and the provinces. The federal government has a fiscal responsibility to First Nations communities through treaties and the Indian Act but funding falls significantly short from what other Canadians receive. Lack of culturally appropriate, accessible and locally delivered services remain a barrier for First Nations, Inuit and Métis peoples living in urban and rural communities.

Canada’s failure to take more urgent steps to address these severe issues has put First Nations, Inuit and Métis people at higher risk during the pandemic. Indigenous Peoples have reported a greater impact of...
their ability to meet their financial and essential needs, worsening mental health, and Indigenous women in particular have reported strong negative impacts on their economic well-being, mental health and perceptions of safety. Lack of race-based data collection by many public health agencies, as well as inequitable access to health services, means that the impact of the virus on First Nations, Inuit and Métis communities is likely under-reported.

The investments that have been made into pandemic interventions are important, but immediate action is needed to expedite implementation of the recommendations from the Royal Commission on Aboriginal Peoples, the Truth and Reconciliation Commission, the Inquiry into Missing and Murdered Indigenous Women and Girls, The Spirit Bear Plan and full implementation of Jordan’s Principle, among others, in order to address historic and systemic inequities.

The recent enactment of Bill C-92 An Act respecting First Nations, Inuit, and Métis Children, Youth and Families, which received Royal Assent June 21, 2019 and came into effect on Jan. 1, 2020, provides one such opportunity. It commitments to reconciliation, substantive equity and the well-being of children, youth and families and recognizing the rights of Indigenous peoples over child welfare. It must now be funded appropriately using a performance measurement framework and a needs-based funding approach.

**RECOMMENDATIONS**

- Pay full compensation to the First Nations children, parents and grandparents who were harmed by inequitable funding for child welfare services on reserve and lack of adherence to Jordan’s Principle and implement The Spirit Bear Plan to end inequalities across public services.

- Fiscal relationships are critical to Nation to Nation relationships and must ensure respect for inherent rights, treaties, title and jurisdiction; full participation in economic growth; sufficient, predictable, long-term funding for First Nations governments and institutions to achieve wellbeing; and evidence-based closure of socio-economic outcome gaps by collecting data in ways that honour OCAP principles of ownership, control, access and possession, to support measurement and reporting.
• Accelerate implementation of the 94 Calls to Action from the Truth and Reconciliation Commission and recommendations from the Royal Commission on Aboriginal Peoples.

• Adopt the 231 Calls to Justice to end genocide from the Final Report on the National Inquiry into Missing and Murdered Indigenous Women and Girls and under the leadership of Indigenous women, 2S/LGBTQQIA+ people and women's organizations accelerate the development of a fully resourced National Action Plan.

Targeted Action Needed to Lift Marginalized Communities Out of Poverty

Individuals from communities marginalized by systemic barriers and discriminatory attitudes experience higher rates of poverty than the rest of the population. For many years, Campaign 2000 has called for targeted action to address this inequity so that all children can enjoy the decent standard of living they deserve. Throughout this report card, we identify barriers in accessing a range of poverty reduction initiatives, including the federal government’s signature Canada Child Benefit, and propose solutions. Given that the pandemic has exacerbated existing social, economic, and health inequalities, the need for bold policies that equalize outcomes is needed more urgently now.

Early in the pandemic, the federal government acknowledged that some communities were more vulnerable than others. Important federal funds flowed quickly to community service organizations, homeless and women’s shelters, sexual assault centre, child and youth hotlines, services for seniors, support to public health efforts and more. But many were left out.

Support for People with Disabilities

A one-time payment for people with disabilities was not announced until June 2020, well after the flattening of the first curve and amidst punitive social assistance clawbacks of other income emergency benefits in many provinces and territories. The federal payment of $600 did not start to reach people until several months later, starting in October 30, 2020, well into the second wave. Access to this payment requires a Disability Tax Credit (DTC) and while the federal government did extend the application period to December 2020 people applying then would not receive the payment until 2021. Unfortunately, the DTC is an underutilized, regressive, gendered and racialized policy that does not benefit anyone with incomes too low to pay taxes. Youth, women and First Nations people living on reserve, in particular, are less able to access it.

Twenty-two percent of the population identify as having a disability in 2017. Almost one third of working aged people with disabilities lived in poverty as measured with the Market Basket Measure. and were more likely to be in female lone parent families or living alone. Thirteen percent of youth (ages 15-24) had a disability. Disabled youth were more likely to be neither in school nor working than youth without a disability. More than a quarter (26%) of people with disabilities faced unmet needs prior to the pandemic due to prohibitive costs of a required aid, assistive device or prescription medication. People with disabilities and their families now face increased costs for personal protective equipment, delivery service fees, extra cleaning expenses and internet access at a time when their income and social support and respite services have been reduced. The one-time payment for people  

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who qualify for the DTC does little to follow through on commitments for a ‘disability-inclusive pandemic recovery response’ and advance disability justice.32

Racialized and Immigrant Poverty

Prior to the pandemic, child poverty rates in racialized and immigrant communities were much higher than the national average. More than one quarter of racialized children (26%) and more than one third of immigrant children (35%) lived in poverty in 2016. Among racialized groups, only children of Japanese (13%) and Filipino (10%) ancestry experienced poverty rates below the national. Among Black, Korean, West Asian and Arab children, meanwhile, poverty rates were 30%, 35%, 43% and 43%, respectively (chart 7).

There have been unprecedented economic, social and health impacts of COVID-19 that has fallen harshly on immigrant and racialized communities. The proportion racialized persons reporting a heightened inability to meet their needs as a result of emergency response measures was nearly twice that of those who identified as white.33 While the national unemployment rate for those aged 15 to 69 was 11.3% in July 2020, several racialized communities had rates of joblessness significantly above this average including South Asian (17.8%), Arab (17.3%), and Black (16.8%).34 South Asian (+9.1 percentage points) and Chinese (+8.4 percentage points) Canadians experienced a much higher increase in unemployment from July 2019 to July 2020, compared to other groups.35

Immigrants, in particular immigrant women, are disproportionately represented in front-line sectors with greater exposure to COVID-19, and the impacts of the pandemic including increased risk of racially motivated and xenophobic harassment, attacks and stigma, are contributing to lower mental health levels for immigrants and non-permanent residents.36 37

RECOMMENDATIONS

- Reduce poverty among marginalized families and children by 50% by the year 2025 according to the Low Income Measure After Tax.
- Convert the Disability Tax Credit to a refundable tax credit and extend compensation to the lowest income people with disabilities.
- Enhance the Child Disability Benefit, ensure that it is not clawed back from provincial/territorial income assistance programs and examine the entire patchwork system of tax measures for people with disabilities.
• Ensure that families without regularized status have access to the Canada Child Benefit by repealing s.122.6(e) of the Income Tax Act that ties eligibility to immigration status.

• Create an Anti-Racism Act for Canada that gives legislative foundation for the Anti-Racism Secretariat. Create a National Action Plan Against Racism that is well-funded, results-oriented and produces long-term, sustainable change that address all forms of racism.

• Strengthen the federal Employment Equity Act and attach employment equity measures through Community Benefits Agreements to all federal investment and recovery programs, to ensure racialized groups and other underrepresented groups have equitable access to any new jobs created and benefit equitably from all investment.

• Mandate a strategy of data collection that is disaggregated by Indigenous identity, impairment, race, gender, migrant status, 2SLGBTQQI+ among other sociodemographic identities for poverty reduction planning, monitoring, evaluation and budgeting. Related to this, strengthen and refine intersectional gender-based policy and budget analysis using both quantitative and qualitative data.

Boosting Family Incomes

Supplementing low incomes with government transfers is key to reducing both poverty and inequality.

Support for low-income families through government transfers in the form of the Canada Child Benefit (CCB), the Canada Workers Benefit and other income transfers made a significant contribution to lifting children out of poverty. The CCB alone reduced the child poverty rate by 9.2 percentage points, protecting 662,080 children from falling into poverty in 2018. Government transfers in total lowered the rate from 33.1% to 18.2%, reflecting 1,084,910 fewer children living in poverty in 2018 (chart 8).
These significant impacts are seen in every jurisdiction across the country (chart 9, under 18 rates and 10, under 6 rates). However, these benefits alone are not enough and still leave nearly 1 in 5 children, or 1,356,980 children (18.2%), living in poverty in every corner of the country.

Many government transfers are delivered through the tax system. It is a broad delivery system, but it has limitations and is not universal. Individuals must file their annual personal income tax to access government transfers. Without filing, eligible individuals do not have access to the suite of transfers available, including the CCB. Recent research shows that 10-12% of working age people in Canada did
not file their personal income tax resulting in $1.7 billion unclaimed benefits, of which $1.2 billion was unclaimed federal and provincial child benefits for the benefit year 2016.\(^{38}\)

Automatic tax filing, as promised in the September 2020 Speech from the Throne, will go a long way to increasing access to benefits for anyone who has filed taxes in the past. Enhanced investments into community tax clinics that assist communities less likely to file, such as the programs in First Nations communities, also help to broaden the system and reduce poverty.

Emergency benefits implemented by the federal government to support people to stay at home safely, which included the Canada Emergency Response Benefit (CERB), one time top-ups to the Goods and Services Tax (GST) credit and the CCB, were delivered to people in need through the tax system; but anyone who had not filed their taxes for the Canada Revenue Agency (CRA) to assess by early September 2020 was not able to receive these benefits. Benefits must be accessible, including to marginalized, low-income people who do not file taxes and who face barriers to filing taxes who often do not file for lack of identification, Social Insurance Number, immigration or citizenship status, a CRA account, or fixed address. These must not bar anyone from accessing benefits, including those who are engaged in precarious, causal or home-based work and these barriers must be addressed in any initiatives undertaken to broaden the personal income tax system for poverty reduction.

**Recommendations**

- Implement a new, targeted Dignity Dividend. Functioning like the GST credit, the Dignity Dividend, as modeled in the Alternative Federal Budget Recovery Plan, would provide $3,600 to each adult and child living below the CFLIM-AT 60.\(^{39}\)

- Increase the base amount of the CCB so that it, in combination with the new benefit, the Dignity Dividend, work together to reduce child poverty by 50% by 2025 according to the Census Family Low Income Measure, AT.

- For some children, their parents’ immigration status is a barrier to accessing the CCB. To address this, amend the Income Tax Act by repealing s.122.6(e) which ties eligibility for the CCB to the immigration status of the applicant parent. Every parent in Canada who is considered a resident for tax purposes should be eligible for CCB, regardless of immigration status.

- Provide assistance to parents in various kinds of shelters, especially women fleeing violence, so they can file their taxes and receive the CCB. Develop a comprehensive policy to reduce barriers to CCB applications, including with regards to supporting documents for women facing domestic violence.\(^{40}\)

- Enable different government agencies and departments to share information required for caregivers to access benefits for children, such as birth certificates. Expand the circle of people able to attest to residency to include charities so that impoverished families with children too young for school can meet the requirements to access federal benefits and ensure that kinship, customary care and families caring for children outside a formal care arrangement have access to any CCB top up.
• 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. Provinces and territories have committed not to claw back but more certainty is needed.

• Make investments to research and develop a parallel community-based benefit eligibility and delivery system for low-income, marginalized non-taxfilers. The federal government must look to other jurisdictions for best practices on financial inclusion immediately, such as delivery by prepaid reloadable credit card systems implemented in partnership with trusted charities, and in the medium term, such as mobile or digital transfers as poverty elimination efforts.

**Provincial and Territorial Social Assistance Programs**

Provincial and territorial governments are responsible for social assistance and disability assistance programs, which are partially funded by the federal government through a block transfer called the Canada Social Transfer (CST). These supports, while a lifeline, unfortunately fail to adequately address the needs of families and children and leave many to struggle with incomes well below the poverty line. The extent of this deficit is evident in the gap between low income family median income and CFLIM-AT thresholds, which, in 2018, ranged from $10,676 for a couple family with two children to $12,726 for a lone parent with two children (chart 11). These are the amounts that typical families living in poverty would need to bring them up to the poverty line. Compared to 2017, the poverty gap increased for all family types.

While social assistance and disability rates vary across the country, there is currently no provincial or territorial program that brings family incomes up to the level of the CFLIM-AT Low Income Threshold. Families, already struggling with income, housing and food insecurity prior to the pandemic now face additional expenditures for cleaning and sanitizing supplies, personal protective equipment, grocery delivery and access to computers and internet for education, work, social contact and more.

Social assistance recipients who lost employment and received the Canadian Emergency Response Benefit (CERB) were subject to punitive clawbacks in many jurisdictions, even though they...
were required to apply for the CERB (if eligible) by provincial and territorial regulations. The CERB, which is considered to be taxable income, impacted rent subsidies and other benefits as well. Those who received the CERB in error are being asked to pay it back, even if they have low-incomes. Campaign 2000 has called on the federal government to give amnesty to anyone who is living below CFLIM-AT thresholds in order to avoid further entrenching poverty.41

A minimum floor was created when the federal government decided to pay $2000 to workers who lost employment because of the pandemic lockdowns through CERB, but social and disability assistance rates did not rise in alignment, begging the question of why there was such a significant discrepancy in income supports for those with the lowest incomes.42

**Recommendations**

- Social and income assistance programs must bring all incomes up to the CFLIM-AT and this must start with an increase in funding to the Canada Social Transfer of $4 billion and removal of arbitrary growth restrictions.
- The federal government must provide sufficient, stable and predictable funding that recognizes regional economic variations.
- The program must be designed to ensure that federal, provincial and territorial governments are accountable for meeting their human rights obligations to provide adequate income support. This requires the development of minimum standards for income benefits and social services funded through the CST.
- Make a binding condition of the CST that income supplements, including the Canada Child Benefit, Child Disability Benefit, Child Support Payments, child related Employment Insurance benefits, are not deducted from social assistance benefits.
- Make a binding condition of the CST that pandemic emergency benefits, be they the CERB, the new Canada Recovery Benefit (CRB) or any other, are not clawed back from social assistance benefits, nor negatively impact any other income benefit, including special allowances for diet, medications, rent supplements and others.

**A Principled Approach to Basic Income**

The has been much discussion on the role of the federal government in developing a national basic income program. Campaign 2000 has developed a six-principle approach to guide any basic income initiative.43 A basic income must: work to **end poverty**, be **inclusive** of all who are residents for income taxation purposes, **cover basic needs** and not end programs intended to address exceptional needs, and be accompanied by **well-resourced public services**, such as childcare, pharmacare and social housing, cover all who are eligible by providing an **absolute right** to income, and be accompanied by a **minimum wage increase** that moves workers out of poverty.

**Full Employment with a Job Guarantee**

The government could also consider developing and implementing a Jobs Guarantee program.44 Federally funded and locally administered, this program has the potential to provide decent,
community-based work with living wages to anyone who wants to work. It does not tie income benefits to work; rather it would be situated within a broader policy agenda that includes a robust suite of income benefits and public programs that all work together to alleviate poverty.

Childcare Is Central to Ending Child and Family Poverty

The lack of affordable, available, high quality childcare remains a gaping hole in our social and economic infrastructure, which forces many parents—especially mothers—out of full, paid employment. Before the pandemic, parents struggled to find convenient, high quality, affordable childcare, while childcare providers struggled to attract and provide decent wages for low-paid early childhood educators and keep parent fees manageable.

These facts highlight the predicament that too many low income parents face:

- **There is not enough childcare to meet needs.** There are regulated childcare centre spaces for fewer than 3 in 10 (28.9%) children 0 – 5 years across Canada.\(^45\) Finding a suitable space for an infant, toddler or child with disability is a daunting task, with many communities qualifying as “childcare deserts”.\(^46\)

- **Childcare is unaffordable for low income families across Canada.** Fee subsidy systems fail to ensure affordability for the low income families they are aimed at.

- **High quality childcare is far too often unavailable.** To create the types of high quality childcare shown to benefit children (especially low income children) Canada needs more, better spent, public funding and a childcare workforce with decent salaries and benefits.\(^47\)

- **Lack of childcare hinders efforts to close the gender employment gap and gender wage gap, especially for low income women.** At the same time, mothers of young children continue to be employed at high levels; 77% of those with youngest children 3 – 5 years-old are employed in Canada.\(^48\)
Fee subsidy systems often shut low income families out of affordable childcare

The persistent lack of affordable childcare is a major barrier to economic independence for low income mothers. In most of Canada including the far North, high parent fees are required to subsidize limited public funding for operating costs. Provinces and territories, except Quebec, provide fee subsidies to eligible families, but ironically, fee subsidy systems create barriers for the low income families they were established to serve. In Ontario, which uses a province-wide geared to income test, there are long municipal subsidy waiting lists, with many low income parents never gaining a subsidy. In a number of other provinces, full subsidy can fall short of covering the full childcare fee. Subsidized parents are expected to pay a ‘surcharge’ that can be high enough to dissuade them from using the fee subsidy program, effectively shutting them out of regulated childcare. Quebec does not use a parent fee subsidy, instead publicly funding a sizeable portion of its childcare services. However, Quebec’s flat fee of $8.35/day per child is too hefty a cost for many low income families, especially those with more than one child.

Chart 12 shows monthly childcare fees in selected cities for a sample low income family of four (annual income of $30,823 in 2016) for one child in pre-school childcare and one school age child not in childcare; these fees were calculated after receiving a fee subsidy.\(^\text{49}\)

Campaign 2000 applauds the federal government’s commitment to develop a Canada-wide childcare system and looks forward to contributing to this effort. The road to recovery must not lead us back to the previous status quo that left far too many behind. This is a unique opportunity to reimagine a just, equitable, inclusive childcare system based on public management of quality services, decent wages and working conditions for educators, and low or no fees for parents. This is a chance to ensure that all interested families, no matter where they live and whether low income, working non-standard hours, with a child with a disability, will be able to access affordable, high quality, inclusive services that are convenient and appropriate for their children.

**Recommendations**

- That the federal government immediately set up the federal child care Secretariat announced in the 2020 Economic Update and mandate it to:
  - work with the Indigenous Early Learning and Child Care Secretariat;
  - consult with the Minister of Families, Children and Social Development’s Expert panel on early learning and child care, child care advocates, policy experts and civil society organizations including anti-poverty organizations and equality rights organizations;
  - develop a detailed multi-year plan to build a pan-Canadian system of early learning and child care in partnership with the provinces, territories and First Nations, Inuit and the Metis Nation governing bodies.

*Budget 2021 will lay out the plan to provide affordable, accessible, inclusive and high-quality child care from coast to coast to coast. This will also include enhanced support for before- and after-school care for older children – in order to provide all parents with the flexibility needed to balance work and family. Supporting Canadians and Fighting COVID-19: Fall Economic Statement 2020.*
• That the federal government immediately allocate $2 billion (to supplement the $625 million transfer to the provinces and territories for ELCC under the Safe Restart agreement) to assist with the safe recovery of licensed childcare. Such funds must be earmarked for restoration and expansion of the number of licensed childcare and early learning spaces; increases in compensation for the childcare workforce to ensure the return and retention of ELCC staff; and stabilization and reduction of parent fees.

• That the federal government allocate $2 billion for ELCC in the 2021-22 budget and commit to increasing the allocation each year after by $2 billion (that is, $4 billion in 2022-23, $6 billion in 2023-24, etc.) so that Canada can establish a high quality system of inclusive and responsive ELCC and gradually expand it to provide affordable ELCC for all who want it.

Housing for All

Prior to the COVID-19 pandemic, 27% of renters were considered to be in core housing need, 91% of which were facing affordability issues. Women-led sole-parent households, Indigenous, racialized, and immigrant families were disproportionately affected: 55% of Canadian households in core housing need are led by women, and 18.3% of households in core housing need house Indigenous peoples. Further, 20% of Indigenous people off-reserve lived in crowded housing, and one third of on-reserve dwellings did not meet adequacy and suitable living standards.

Homelessness levels were alarmingly high, with 235,000 people experiencing homelessness each year, and 35,000 people experiencing homelessness on any given night. Again, Indigenous people were overrepresented with nearly one third of the homeless population self-identifying as having Aboriginal identity but making up only 5% of the general population.

Between 2011 and 2016, the existing naturally affordable housing stock lost over 300,000 private-market rental units due to deregulation, redevelopment by investors, and financialization of housing in Canada. Families and individuals languish on social and affordable housing waitlists with 284,000 Canadian households having at least one member on a waitlist and almost two thirds of them waiting for over two years.

When the World Health Organization declared a global pandemic and Health Canada implemented stay-at-home orders to prevent spread of COVID-19, many people in Canada were unable to follow these orders due to the lack of access to adequate housing. Further, these orders put women and children living in abusive households at greater risk of violence, a risk exacerbated for First Nations women as 70% of northern reserves have no safe houses or emergency shelters for women escaping violence. According to Statistics Canada, 54% of victim service centers surveyed reported an increase in number of victims of domestic violence served during the pandemic.

Low-income racialized communities experienced a disproportionate financial impact during the pandemic, causing struggle to afford housing due to job losses when non-essential businesses closed. Racialized people are at greater risk of evictions as rent moratoriums begin to lift; 42% or greater shares of Arab, West Asian, and Filipinos populations reported COVID-19 impacts on their ability to afford rent, mortgage payments, or utilities, while only 23% of White people reported negative financial pandemic impacts.
In the recent September 2020 Parliament Throne Speech, the federal government committed to end chronic homelessness in Canada. This is welcomed improvement from the original commitment to reduce chronic homelessness by 50%, but without a plan of action, including budget, timelines and indicators, there is concern that this promise is much like the promise to end child poverty by the year 2000, where 30 years on we are still struggling with unacceptably high rates or child and family poverty.

The federal government has announced a $1B Rapid Housing Initiative to create new affordable housing units to address urgent housing needs of vulnerable people during the pandemic. This initiative will aid in the creation of 3000 units across Canada, but will leave hundreds of thousands of people homeless or still at risk for homelessness. This funding envelope does not include spending allocation for critical wraparound health and social supports to help people with mental health, addictions, and trauma maintain housing, nor does it have a plan to ensure that the Gender Based Analysis Plus (GBA+) commitments of the National Housing Strategy will be applied.

Men are overrepresented in statistics and definitions of chronic homelessness as enumerators rely on shelter, encampments, and street surveys for data. Women and gender non-conforming people report feeling unsafe in these spaces, and those with children fear interaction with the child welfare system and losing parental rights if they use emergency shelters or encampments. To capture rates of homelessness more accurately and to effectively eliminate chronic homelessness, this report calls for the expansion of the definition and enumeration of chronic homelessness to include the unique experiences of women and gender non-conforming people who are more likely to couch surf, trade sex for housing, or flee violence, and to capture the experiences of First Nations, Inuit and Mètis families, immigrant and refugee families.

The Canadian Alliance to End Homelessness (CAEH) released a 6-point recovery plan to create 300,000 new permanently affordable and supportive housing units over the next decade and stop the current erosion of the affordable renters market with an aim to end homelessness by 2030, requiring up to $50 billion in funding over the next 10 years. The National Co-Investment fund is a significant stream for developing new affordable units across the country but due to onerous applications and processing delays that average 400 days, only $2 billion has been committed as of September 2020 since the inception of this Fund in May 2018. Application processes must be accessible, in particular to non-profit organizations, and take into consideration geographic need and variation. A dedicated funding stream for First Nations, Inuit, Metis, Urban and Rural Indigenous Peoples must be developed that fulfill housing needs of these communities.

Canada has made important promises to fulfill the right to housing in federal legislation but moderate investments into housing alone will not be enough. These investments are proven to be more beneficial when existing affordable housing is preserved, both private and social, and provided along with varied social supports and services that improve wellbeing, quality, and neighbourhood.

**Recommendations**

- Ensure accountability mechanisms enshrined in the NHS Act are independent and fully resourced with stable and consistent funding for the community-based tenant initiative to achieve its goal of greater inclusion and participation of community organizations in housing policy and project decision making.
• Prioritize the appointment of a strong, well led, and well-resourced Federal Housing Advocate and Housing Council.

• Immediate action on the commitment to ending homelessness as part of Canada’s international human rights obligations. Reassess the definition of “chronic homelessness” to capture the experiences of women and gender non-conforming people, immigrants, refugees, and First Nations, Inuit and Métis Peoples.

• Accelerate the co-development of the three distinctions-based Indigenous housing strategies and commit to a fourth complementary Urban and Rural Indigenous Housing Strategy to effectively address the needs of off-reserve Indigenous Peoples.66

• Immediately double the investment into the Canada Housing Benefit to $8 billion. Work with remaining provinces and territories to finalize and sign bilateral agreements in order to provide immediate support to families struggling to pay rent and ensure there are no pandemic-related housing evictions. Continue investment and expansion of the CHB such that it becomes a universal benefit as opposed to rationed. Leverage bilateral agreements to bind vacancy control measures and prevent pandemic related evictions.

• Invest $3 billion annually into the National Co-Investment Fund for new social housing supply and the repair, renewal and retrofit of the existing social housing stock with the goal to eliminate core housing need.67 Significantly expand and enable non-profit acquisition and operation of existing private market rental housing to maintain it as affordable in perpetuity.

• Invest $2 billion annually to build supportive housing for people with mental and physical health concerns, particularly for vulnerable and marginalized populations.

• Ensure that at minimum, 25% of these benefits reach diverse women as per GBA+ commitments under the National Housing Strategy.

We Must Lift Youth Out of Poverty
Education, Training and Employment are Essential to Youth Recovery

While the COVID-19 pandemic has disrupted everyone’s lives, it has had a significant impact on young people’s education, training and employment. Canada’s progress in reducing the number of youth not in education, employment or training (NEET) has been set back,68 with the NEET rate for young Canadians going from 12% in February 2020 to 24% in April, the highest level in 20 years.69 Students report delayed and cancelled work placements and the inability to complete their studies as planned.70 Postsecondary students are very or extremely concerned that the pandemic will increase their student debt and hinder their ability to pay tuition, accommodations and living expenses.71

Young people have good reason to be concerned about their job prospects and their ability to meet their needs and those of their families. The impact of the pandemic has seen employment drop sharply across many sectors. Significant among these is accommodations and food services – an industry that accounts for one fifth of youth employment – where employment declined by 20% since September 2019.72
According to the September Labour Force Survey, more than 2.2 million youth were seeking work in September 2020.

Recovery since the pandemic downturn has been slowest for youth. Despite some signs of job growth for both women (+5.7%) and men (+6%) aged 15 to 24, overall youth employment rates in September are still 10% below February levels. While the unemployment rate for male youth in particular remains high (20.5%), the situation of those from racialized groups is even worse, as nearly one in four continues to be without work (24.7%).

Education, employment and training are essential to successful transitions to adulthood and to Canada’s economic recovery. Without critical investments and support, youth - many of whom were already in precarious situations prior to the pandemic - are now at increased risk of experiencing poverty and homelessness.

Youth in Child Welfare Need Special Support

Most young people will navigate the pandemic and the recovery with the help of their families. Youth who are in child welfare, however, face particular challenges. Their transition out of care can be abrupt and is often complicated by a lack of preparedness and insufficient or nonexistent support for their emotional and financial needs.

Such life transitions and loss of available services and supports can lead to heightened risk for homelessness, unemployment, poverty, poor mental health and early parenthood.

All provinces and territories, except Quebec, provide varying financial aid to youth who exit child welfare, mostly in the form of payments to subsidize housing and living expenses. The federal government offers no post-care payments or services to First Nations, Métis and Inuit youth who were in child welfare. The Jordan’s Principle benefits expire at age 18 leaving high needs youth without essential services.

Where post-care programs exist, they are almost exclusively available only to youth who work or are in education or training, with strict eligibility criteria imposed. This practice leaves out those who are most marginalized, placing unreasonable expectations on youth given COVID-19 related restrictions and the current state of the economy.

Canada is one of only a handful of countries in the global North with no nationally legislated entitlements for youth from care. National legislation exists in the U.K. and the U.S. and in many other parts of the world entitlements for youth in care, including the option to stay in placement, are framed as rights without any exclusions or admissions processes. National standards in Canada could promote coherence and equity across jurisdictions.
RECOMMENDATIONS

- Create universal access to postsecondary education by eliminating tuition fees.
- Significantly bolster youth employment programs and apprenticeship opportunities.
- End discriminatory wages for youth and students and institute a $15/hour federal minimum wage for all workers.
- Implement post-care financial and social services to First Nations, Métis and Inuit youth who were in child welfare and extend Jordan’s Principle past the age of 18.
- Reduce inflows into homelessness by implementing a targeted housing strategy and establishing a national framework for extended care and support for youth in child welfare, in collaboration with First Voice Advocates, territories and provinces.

Poverty Erodes Public Health

Poverty and inequality were serious public health issues prior to the COVID-19 pandemic. Research showed significant health inequalities among First Nations, Inuit, Métis Peoples, Black, racialized and gender diverse peoples, immigrants and people living with functional limitations across income, education levels, employment and occupational status. Structural inequities leading to lower incomes, lower education levels, precarious employment and unemployment all result in lower life expectancy, higher rates of infant mortality, unintentional injury mortality, suicide mortality and low self-rated mental health for marginalized groups. Low income families, racialized families, female led lone parent families and migrant families struggled to find adequate housing, pay utilities, access affordable fresh food and have enough left over for other necessities of life, including prescription medications.

The most recent Canadian Community Health Survey (2017-2018) was the first time since 2011-2012 that food insecurity was measured in each province and territory, the results of which show that despite geographic variances, it remained a critical public health issue across the nation – 4.4 million individuals were food insecure, including 1.2 million children, representing the highest number recorded since food insecurity monitoring began in Canada. Consistent with prior surveys, Nunavut had a much higher and very concerning prevalence of food insecurity (57%) than any other province or territory, with nearly 4 out of 5 children (78.7%) living in food insecure households. The federal program, Nutrition North Canada, implemented in 2011 with the goal of making perishable food items more affordable and accessible in the North by subsidizing suppliers and retailers, has failed to reduce the prevalence of food insecurity in Nunavut. In fact, research shows that prevalence of food insecurity rose during and after the implementation of this program.

Closely related to income and social inequalities, vulnerable and marginalized communities disproportionately experienced food insecurity. In addition to geographic location, family make-up, racial identity and source of income all played important parts in a family’s access to food. For example, while households with children are more likely to be food insecure (16.2% compared with 12.2% of households without children), prevalence is highest among female-led lone parent families (33.1% in 2017-18). Black and Indigenous Peoples had highest prevalence among racialized groups at 28.9% and
28.2% respectively and 60.5% of social assistance recipients reported food insecurity with more than half reporting or moderate or severe levels.\textsuperscript{84} With job and income losses related to the pandemic, food security continues to be an important and sensitive indicator of the ability of families to make ends meet in a crisis. According to the Canada Perspectives Survey Series, 1 in 7 individuals report experiencing food insecurity with higher prevalence continuing to be reported in households with children.\textsuperscript{85}

As discussed earlier in this report, the Canada Child Benefit (CCB) is one of the most important initiatives for protecting families from poverty. This benefit has also been shown to reduce rates of severe food insecurity among families who received it.\textsuperscript{86} That there is such high prevalence of food insecurity and rates of child poverty suggest that the CCB is not yet robust or accessible enough, providing the federal government with an opportunity enhance the CCB and work to make it more accessible to vulnerable families.

On the production side, our food system depends on the labour of migrant workers who work on farms, meat processing facilities and the fast-food industry. However, immigration, labour and food policies and laws create unique forms of systemic inequities that result in precarity and insecurity for these essential workers. Overcrowded working conditions and accommodations, lack of personal protective equipment, pressure from employers to keep working when sick and resistance to testing for COVID-19 have led to outbreaks in various parts of the country, including the death of three migrant workers in Ontario.\textsuperscript{87} The federal food policy, Everyone at the Table, must address the labour issues associated with our food production system and migrant workers must be provided full immigration status on arrival for work in Canada so they have access to labour protections, health coverage and income supports.\textsuperscript{88}

Many who have lost jobs during the pandemic, lost their work-related health insurance. Access to prescription medication was a major problem pre-pandemic. 1 in 5 people had insufficient or no coverage, and 1 million people reported spending less on household necessities such as food and rent to pay for medication.\textsuperscript{89} One in five people also reported they were not taking medications because of their prohibitive costs, leading thousands annually to end up in hospital. Women, Indigenous Peoples, those who are low income, who have poorer health status and who do not have prescription drug coverage are all more likely to report food insecurity and cost-related nonadherence to prescription medications.\textsuperscript{90,91}

Canada is the only high income country in the world with a universal health care system that does not include a universal drug plan. Instead, we have an expensive patchwork system that is costly to families and businesses, and results in inequitable access to important medications. The COVID-19 health pandemic has made the need for a universal, single-payer public system of prescription drugs more acute. As part of the pandemic recovery plan, the federal government should begin immediate implementation as recommended in the 2019 blueprint, A Prescription For Canada: Achieving Pharmacare for All with new legislation and an initial investment of a $3.5 billion annual pharmacare transfer to the provinces and territories with the condition of providing universal public coverage of essential medicines, with a shift to full pharmacare over 5 years, a shift that will result in savings of billions of dollars annually.\textsuperscript{92}
**RECOMMENDATIONS:**

- Ensure that federal, provincial and territorial income support programs work together to bring incomes up to the Low Income Measure, After Tax so that people have enough to meet their basic needs.

- Ensure that preventing food insecurity among families is a built-in goal of the Canada Child Benefit, and that progress is reported on as part of Canada’s Poverty Reduction Strategy.

- Ensure that First Nations, Inuit and Metis communities co-develop food security strategies to address their unique needs and that further reconciliation efforts. As part of this, the federal government must move swiftly to identify and implement more effective strategies to address the very high prevalence of food insecurity among families in Nunavut, working in partnership with people in that territory.

- Provide full and permanent landed status to migrant workers, which will enable access to labour protections, health coverage and income supports.

- Create legislation and invest $3.5 billion in annual federal transfers to provinces and territories as part of the federal COVID-19 recovery plan and as a first step to full implementation of a universal, comprehensive, public pharmacare system based on the principles and recommendations in A Prescription for Canada: Achieving Pharmacare for All 2019.

- Enhance the Canadian medicare program to include dentistry, vision and various rehabilitation services.

**Make Work a Pathway Out of Poverty**

The economic fallout from the COVID-19 pandemic hit vulnerable workers hard. Women, Indigenous Peoples, immigrants, migrant workers, racialized workers, people with disabilities and youth, whose work is characterized by low-wages and precarity have been disproportionately impacted. For example, racialized workers are more likely to work in industries most affected by the pandemic, such as food and accommodations services; Indigenous people are experiencing financial impacts related to the pandemic more severely; and over one third of workers with disabilities who were employed prior to the pandemic have lost work or had their hours reduced, with employment changes more likely to impact youth and those with lower levels of education.

Unlike past recessions, female-dominated sectors have been particularly impacted, with women’s labour market participation rates rolling back to levels not seen since the 1980’s. Indigenous women, Black women, women of colour making $14 per hour or less lost work earlier in the pandemic and are recovering jobs slower than men. Mothers have faced particular challenges associated with unequal division of labour and wage gaps that have pushed them into homeschooling and caregiving roles, especially for mothers of younger children. In November 2020, 60% of mothers with children under the age of 13 were working less than half their usual hours, citing childcare and reduced hours as reasons. Sole-parent women-led families experienced sharper decreases in work, slower regaining of employment than mothers in couple families. This is troubling since lone-parent families had much higher rates of poverty before the pandemic – in 2018, 32.2% of children in lone-parent families lived in poverty.
poverty, 14 percentage points higher than the national child poverty rate of 18.2% (according to the Census Family Low Income Measure, After Tax).

The pandemic has shone a light on abysmally poor labour standards, such as low minimum wages, temporary, contract and part-time work and lack of access to paid sick days. Immigrant women are disproportionately represented in the care economy where these conditions led to higher exposure to the virus, including in long-term care where most deaths have occurred. Pandemic pay premiums were implemented in recognition of the essential nature of this work, but were slow to roll out, unevenly applied, and quick to end considering that the pandemic is still ongoing. Migrant workers, many of whom have left their families at home, have been forced to work and live in over-crowded and unsafe conditions. Lack of immigration status and labour protections meant that they were unable to access important measures such as COVID-19 testing, sick days and safe places to self-isolate, which led to outbreaks and deaths in these workplaces.

As economic shutdowns were imposed, the federal government moved quickly to support workers and businesses by investing over $322 billion into direct measures including the Canada Emergency Wage Subsidy (CEWS) and a variety of income support programs including the Canada Emergency Student Benefit (CESB) and Canada Emergency Response Benefit (CERB). An estimated $76.7 billion was invested into the CERB alone and the low barrier design of CERB enabled quick and relatively easy access for many of the 8.9 million people who accessed it. However, qualifying requirements excluded many vulnerable workers and confusion around eligibility for the CERB and its impact on other sources of incomes has led to negative consequences for low-income workers, such punitive clawbacks from social and disability assistance and decreases in rent subsidies. Some workers applied and received CERB even though they did not qualify. Many did so in error and are being requested by Canada Revenue Agency to pay it back. Campaign 2000 has called on the federal government to institute a repayment amnesty for CERB recipients whose incomes fall below Census Family Low Income Measure, After Tax thresholds so as not to further entrench poverty of already vulnerable workers.

Emergency benefits have been replaced with temporary recovery benefits, including temporary changes to Employment Insurance (EI), a Canada Recovery Benefit (CRB) for those who do not qualify for EI, as well as a Canada Recovery Sickness Benefit (CRSB) and Canada Recovery Caregiving Benefit (CRCB). The 26-week entitlement for these benefits means that they will end in March 2021 for the large number of claims that started at the end of September 2020. New eligibility criteria that is more restrictive than the CERB will meant that one quarter of CERB recipients will receive less (4%) or no (21%) support with the new EI and CRB. Sick benefits via the CRSB can only be accessed in two week intervals. This will help those needing to self-isolate for fourteen days but means that workers who need less than that (for example, one day to get a COVID-19 test) will not have access to paid sick leave.

It is important that temporary income benefits be accompanied by comprehensive, permanent updates designed to broaden access and improve benefit levels, including access to adequate parental leave. Long-term recovery and economic growth will be contingent upon investments into public infrastructure that support workers, including transit, housing, childcare and medicare as outlined throughout this report card. Both temporary and longer-term measures need to be addressed sooner rather than later to ensure safety, ease stress and support workers in these uncertain times.
**RECOMMENDATIONS:**

- Immediately implement a 15$/hr minimum wage indexed annually to inflation in federally regulated industries. Give consideration to living wages, which have been calculated above this rate in many jurisdictions.

- Extend emergency benefits beyond 26 weeks, lower the qualifying threshold for temporary EI currently set at 120 hours and set a minimum guarantee (as set by CERB at $500/week).

- Access to paid sick days is essential for containing the virus and ensuring public health. Permanent amendments should be made to the Canada Labour Code to ensure workers have access to seven permanent paid sick days with an additional fourteen days available during public health emergencies.

- Strengthen the federal Employment Equity Act and attach Community Benefits Agreements to all federal investment and recovery programs. Implement disaggregated data collection strategy to inform, monitor and evaluate these expenditures to ensure racialized and underrepresented groups have equitable access and benefits.

- Provide permanent resident status on arrival for migrant workers to ensure access to labour protections, income supports and health benefits.

- Support workers with disabilities through co-developed policy changes, including an expanded and improved Canada Workers Benefit Disability Supplement and enhanced supports through the Canada Pension Plan-Disability program.

- Implement a Green Jobs Strategy to build skills for green industries, address climate change and ensure a just transition from extractive industries.

- Reform Employment Insurance with measures that should include: expanding access for premium payers currently excluded; extending access to new enrollees; permanently reduce qualifying hours; boost the benefit rate; and eliminate the discriminatory 33% benefit rate for extended parental benefits.

**Income Inequality**

While economic inequality was already an issue of critical concern, the onslaught of the pandemic has only served to underscore the heightened health, social, and economic risks faced by low-income and marginalized members of our society. Many are increasingly stressed in maintaining income, affording housing and meeting other life needs for themselves and their families.

**Income by Decile**

According to the Canadian Income Survey, average income in 2018 was 22% above that in 1989, rising from $79,500 - $89,200 (in 2018 constant$). Over this period, average income was higher in all deciles except the lowest, which was $1,300 below its 1989 level. Average income in the top decile, at $268,500, meanwhile, was nearly 40% higher than in 1989.
Despite the relative improvement, the distribution of income across the population remains persistently unequal. In 2018, persons in the highest income decile accounted for 29.9% of total income, 1.5 times the share of all deciles below the median combined. The imbalance in distribution can be seen in the chart below that illustrates the sharp skew in share of income. Compared to 1989, inequality in the distribution has only worsened as the rich have seemingly become richer with continuing concentration of income in top deciles only. While tax adjustments and credits in 2018 provided some relief for those with lower incomes—resulting in a 2% share redistribution from the top half to the bottom half—much more is needed to redress the damaging consequences of wealth inequality.

Over the past two decades the number of billionaires more than quadrupled from 23 in 1999 to 100 in 2018. In 2019, persons in the top 1% owned more than one-quarter (26%) of wealth in Canada. While marginalized and low-income families have suffered during the pandemic, the total wealth of Canada’s top billionaires has grown by more than $50 billion, a 28% increase.

Canadians for Tax Fairness. It’s Time To Tax Extreme Wealth Inequality: How progressive tax reforms can help pay for the pandemic and build a better future.
Income Inequality is disproportionately experienced by racialized persons and recent immigrants

Racialized populations are overrepresented in the bottom half of income distribution. According to the 2016 Census, sixty percent of racialized persons had income below the median as compared to less than half for those who were classified as white (not racialized). For children under 15 and youth 15-24 the gap was somewhat wider, as nearly two out of three racialized persons in these age groups lived in families with income below median level.¹¹⁰

Across racialized groups, children who identified as Arab, West Asian, Black and Latin American experienced the highest concentration of lower income, with more than 75% in families in the bottom half of the distribution in 2016.
Women’s income continues to lag that of men

While progress has been made in recent decades to close the gender gap, women continue to have lower personal income than men.\textsuperscript{111} This is especially true for Indigenous, racialized, immigrant, disabled, and gender nonconforming women, who report disproportionate levels of precarious, informal, criminalized and unpaid labour. On average, women experience significantly less economic security than men and have more limited access to personal income tax system supports\textsuperscript{112}.

Tax policies in Canada as currently constituted tend favour higher income earners and men. This can be seen both in the relatively lower effective tax rate for high income earners and in a variety of expenditure programs\textsuperscript{113} In its 2019 review of personal tax expenditures, the Canadian Centre for Policy Alternatives found that men disproportionately benefit from tax expenditure\textsuperscript{114}, while transfers in support of low income earners skew toward benefiting women. Meanwhile, expenditures geared toward Canada’s wealthiest overwhelmingly benefit to men.

Progressive tax measures needed

Economic inequality is unhealthy for society and toxic for children.\textsuperscript{115} Recent research by UNICEF Canada found that that we are not translating the wealth and resources of our country into wellbeing.
for all children. Compared to other OECD countries, Canada is ranked dismally low on child wellbeing outcomes at 30 out of the 41.

Canada remains one of a handful of countries whose index of economic, social and environmental conditions for growing up (ranking 23) outranks that of child welfare (ranking 30). Contributing to this deficit is less than adequate spending on cash transfers, social services and tax breaks for families, Canada allocated 1.7% of GDP in this regard, 30% lower than the average for other OECD members.

Progressive tax measures are powerful tools the government has available to reduce economic inequalities and raise much needed revenues for poverty reduction initiatives.

**RECOMMENDATIONS:**

- A modestly graduated annual wealth tax at a rate of 1% on wealth over $10 million, 2% on wealth over $100 million and 3% on wealth over $1 billion could generate nearly $20 billion annually.\(^{117}\)

- A 45% inheritance tax—falling between the US rate of 40% and Japan’s 55% - would generate $2 billion annually.\(^{118}\)

- Eliminate or reduce highly regressive and expensive tax measures, such as preferential tax rates on capital gains and investments, which lower federal revenues by nearly $22 billion annually.\(^{119}\)

- Immediate implementation of an excess profit tax or corporate tax focused on pandemic windfall gains, a precedent that was set during WWI and WWII. As part of an excess profit tax, apply an increase to the minimum corporate tax that would apply to ‘normal’ profits.\(^{120}\)

- Close tax havens that cost the federal government at least $10 billion annually.\(^{121}\)

**Acknowledgements**

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**Campaign 2000: End Child and Family Poverty in Canada** is a non-partisan, pan-Canada coalition of over 120 national, provincial, territorial, and community organizations, committed to working together to end child and family poverty. Please visit www.campaign2000.ca for more information and to download our publications. For hard copies of publications, call 416-595-9230 x250.

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Endnotes


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 2SLGBTQQI+ represents Two Spirit, lesbian, gay, bisexual, trans, queer, questioning, intersex peoples. Often a “+” symbol follows to include all other sexual orientations, identities and fluidities.


9 Ibid.


11 Ibid.

12 See the Youth section of this report for discussion on youth aging out of care.


35 Ibid.


37 Ibid.


40 Office of the Taxpayers’ Ombudsman. “Benefits Unsheltered: An Examination in to the Canada Revenue Agency’s Communication and Outreach Efforts to Shelters and Other Support Organizations About Benefits and Credits Administered by the Canada Revenue Agency” (2018). Ottawa, ON. Office of the Taxpayers’ Ombudsman.


42 At the time of this writing, the CERB program was winding down and eligible recipients will move to Employment Insurance (EI). For those not eligible for EI, the federal government is implementing three new benefits – the Canada Recovery Benefit (CRB), the Canada Recovery Caregiver Benefit (CRCB) and the Canada Recovery Sickness Benefit (CRSB). For more discussion on these benefits, see the Decent Work section of this report card.


48 Ibid.


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A household is said to be in ‘core housing need’ if its housing falls below at least one of the adequacy, affordability, or suitability standards, and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable.


Ibid.


65 Data provided to the Canadian Housing and Renewal Association by Canada Mortgage and Housing Corporation. Data showed that as of July 2020 60 projects had been approved with total funding commitment of $1.75B. Between July and October there have been a few additional projects announced, including a sizable contribution for Ottawa Community Housing of approximately $168 million announced in September 2020 bringing total contributions to approximately $2 billion.
67 Ibid.
73 Ibid.
74 Ibid.
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81 Analysis by Tarasuk and Mitchell (2020) includes individuals in households that are marginally, moderately and severely food insecure. Their results differ from Statistics Canada Dimensions of Poverty Hub which include only moderate and severe food insecurity at the household level.
83 Ibid.
84 Ibid.
88 Campaign 2000 supports the call by Migrant Rights Network to provide full and permanent status to all upon arrival. For more, see: https://migrantrights.ca/status-for-all/
92 A Prescription For Canada: Achieving Pharmacare for All
93 See the Youth section of this report for a discussion on employment and youth.
95 Ibid.


See also Poverty Erodes Public Health section of this report card.


116 Ibid.
118 Ibid.
119 Ibid.
120 Ibid.
121 Ibid.