

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

CAMPAGNE 2000
METTONS FIN À LA PAUVRETÉ
DES ENFANTS ET DES FAMILLES

Creating an intersectional, feminist, recovery budget that invests in our most marginalized community members

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Recommendations

Campaign 2000: End Child and Family Poverty recommends immediate investment in the following measures:

- 1) Implement repayment amnesty to all people who received the Canada Emergency Response Benefit (CERB) whose incomes are below or near the Low Income Measure and to all youth transitioning out of care.
- 2) Expand pandemic top-up to the Canada Child Benefit (CCB) to all families with children under 18. Remove barriers to access for families with precarious immigration status and customary care, kinship and families caring for children outside of formal care arrangements.
- 3) Create mechanisms for income support eligibility determination and benefit distribution for marginalized people outside of the personal income tax system.

We also recommend the following suite of measures to address poverty and growing income inequality as central to rebuilding from the pandemic:

- 4) Strengthen the Poverty Reduction Strategy through strategic investments to meet more ambitious poverty reduction targets. 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.
- 5) Income security measures must be a) universally accessible and b) ensure individual and family incomes are brought up to a minimum floor, determined using CFLIM-AT based on 60% of median income to account for loss of income due to COVID.
 - Increase the CCB in combination with creating a new, targeted Dignity Dividend of \$3,600 delivered to each adult and child living below the CFLIM-AT 60.
 - Convert the Disability Tax Credit to a refundable tax credit and extend compensation to the lowest income people with disabilities and examine the entire patchwork system of tax measures for people with disabilities.
- 6) Increase funding for the Canada Social Transfer (CST) by \$4 billion and remove arbitrary growth restrictions to support standards of adequacy for social and disability assistance programs, with conditions that stipulate no clawbacks of income support benefits, including pandemic emergency benefits.
- 7) Ensure all who are unemployed or underemployed have access to income security measures within a revamped Employment Insurance (EI) program that increases access, amount and duration of benefits.
- 8) Support workers with disabilities through an expanded and improved Canada Workers Benefit Disability Supplement and enhanced supports through the Canada Pension Plan-Disability program.
- 9) Allocate funding toward immediate compliance with the Canadian Human Rights Tribunal (CHRT) ruling to a) provide equitable funding for child welfare services on reserve b) ensure the full application of Jordan's Principle and the Spirit Bear Plan.

10) Fund implementation of the 94 Calls to Action from the Truth and Reconciliation Commission and the 231 Calls to Justice from the National Inquiry into Missing and Murdered Indigenous Women and Girls.

11) In remaining 2020-2021, allocate \$2 billion of promised emergency transfers to provinces and territories for spending on early learning and child care (ELCC). Boost the federal allocation for ELCC to \$2 billion in 2021-22 and add a further \$2 billion each year thereafter, earmarking 20 per cent of the annual total to support implementation of the Indigenous Early Learning and Child Care Framework.

12) Enhance commitments in the National Housing Strategy (NHS) to end core housing need and homelessness. Commit to a fourth urban and rural Indigenous Housing Strategy as well as reassess the definition of “chronic homelessness” to capture diverse experiences. Double the federal investment in the Canada Housing Benefit to \$8 billion. Ensure that at minimum, 25% of all resources in Budget 2021 are allocated through a GBA+ framework as per NHS commitments, including the Rapid Housing Initiative to address the immediate needs of homeless women and gender diverse peoples. Fully fund mechanisms associated with supporting the Right to Housing.

13) 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.

14) Address growing income inequality and generate revenue for poverty reduction programming 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.

About Campaign 2000

Campaign 2000 is a non-partisan, pan-Canadian movement founded to build awareness and support for the 1989 all-party House of Commons resolution to end child poverty in Canada by the year 2000 with a diverse partnership of over 120+ spanning coast to coast to coast.

Child and Family Poverty in Canada

We are at a crossroads. Effectiveness of the national poverty reduction strategy has stalled. Between 2015 and 2017 we experienced a 9.7 % decrease in the child poverty rate (Census Family Low Income Measure, After Tax); but progress had not continued. By 2018 and there was deterioration in the child poverty rate in many provinces and territories and a growth of food insecurity to levels not anticipated by experts. Beyond this, significantly higher rates of Coronavirus infection in low income neighbourhoods, among racialized and Indigenous groups, and precarious essential workers, especially female workers - all of whom have higher poverty rates - has tragically laid bare the risks of poverty. The federal government must take responsibility under section 7 of the Charter of Rights and Freedoms to protect the life, liberty, and security of the person and of all children living in Canada. The federal government must now stop the continued subjection of so many of our children and families to the vulnerability inherent in poverty.

In Canada more than 1.3 million children live 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 concentrate at the top income deciles.

Before the pandemic ensued, latest taxfiler data revealed a very troubling trend – the rates of child poverty were on the rise in many parts of the country and the national rate declined by less than one half of a percentage point between 2017 and 2018. This is despite federal resolutions to end child poverty, the recent passing of the Poverty Reduction Strategy and Act and the federal government's signature anti-poverty initiative, the Canada Child Benefit (CCB).

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 and invest meaningfully in Budget 2021 through the following initiatives.

Immediate Budget 2021 Priorities

1) CERB Repayment Amnesty

Implement a Canadian Emergency Response Benefit (CERB) repayment amnesty for people living on or near the after-tax Low Income Measure and for youth aging out of care. The CERB was intended to support people to stay safely at home during the first wave of the pandemic. Low income workers saw their household costs rise and the CERB was spent on helping people to pay rent, access technology for themselves or their children, manage the increase costs of food, purchase PPE, among other measures. These families are not in the position to make repayments and forcing them to do so would further entrench poverty in this country and go against the federal government's principled approach to reducing poverty in Canada.

2) Canada Child Benefit

Expand the pandemic Canada Child Benefit (CCB) top-up for 2021 as announced in the Fall Economic Statement to all eligible families with children under the age of 18. 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. 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.

3) Create a Parallel Income Benefit Delivery System

Regardless of how accessible the tax system becomes, it will not be universal. Those who are most likely to be outside of the personal income tax system include people with no fixed address, without citizenship status, those who have mental health and/or addictions issues, and others who experience multiple marginalization.

We strongly recommend that the federal government invest 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.

Additional Budget 2021 Priorities

4) The Canadian Poverty Reduction Strategy

Ending poverty must be a determining outcome in the federal government's COVID-19 recovery plan. This goal must guide all economic, fiscal, taxation and social policy decision-making and budgetary priorities in the short and long term. The federal government must provide leadership in establishing targets, timelines and conditions for poverty reduction programs delivered by the provinces and territories.

- Strengthen the Poverty Reduction Strategy through strategic investments to meet more ambitious poverty reduction targets. An investment of \$6 billion should be allocated in Budget 2021 with the goal of reducing overall poverty and poverty within marginalized communities 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 a well-resourced all-party appointed advisory council and a poverty reduction advocate who can investigate major systemic issues.

5) Income Security

All income security measures implemented must ensure that individual and family incomes are brought up to a minimum floor determined using the CFLIM-AT calculated with taxfiler data and based on 60% of median income. This 60% measure will account for the reduced levels of income due to pandemic job loss and that result in lower thresholds.

Benefits must be universally accessible. Lack of identification, SIN, immigration or citizenship status, a CRA account, or fixed address must not bar anyone including those engaged in precarious, casual or home-based work. There must be a delivery system for those who do not file taxes.

Campaign 2000 has long recommended boosting the base amount of the CCB so that it, in combination with a new benefit, the Dignity Dividend, work together to reduce child poverty by 50%. 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.

Convert the Disability Tax Credit to a refundable tax credit, ensuring that those with the lowest incomes receive compensation. Work with disability communities and organizations to revamp the current patchwork of system of tax measures.

6) Canada Social Transfer

Increase funding for the Canada Social Transfer by \$4 billion and remove arbitrary growth restrictions. Provide sufficient, stable and predictable funding that recognizes regional economic variations, and ensures 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 and make conditional that income supplements including the Canada Child Benefit, Child Support Payments, Child Disability Benefit, child related Employment Insurance benefits and pandemic emergency benefits are not deducted from social assistance. Require provinces/territories to reduce social assistance poverty by 50% as measured by CFLIM-AT by 2025 as a condition of the transfer.

7) & 8) Invest in Workers

The economic fallout from the COVID-19 pandemic hit vulnerable workers hard. Women, Indigenous Peoples, immigrants, migrant workers, racialized workers, people with disabilities, women working in the care economy and youth – all whose work is characterized by low-wages and precarity - have been disproportionately impacted. Ensure workers have access to income supports by extending 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). Support workers with disabilities with 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 include: expanded access for premium payers currently excluded; extended access to new enrollees; permanent reduction of qualifying hours; boost to the benefit rate; and eliminate the discriminatory 33% benefit rate for extended parental benefits.

9) & 10) Eradicate Poverty Among First Nations, Inuit and Métis Families

Budget 2021 must provide equitable funding for child welfare services on reserve and fully implement Jordan's Principle and the Spirit Bear Plan. It must also provide implementation funding for the TRC's 94 Calls to Action and adopt and fund the MMIWG Inquiry's Calls to Justice.

Investments to improve uptake of the CCB among families on reserve are significant but inadequate. Additional funding to support First Nations' children access to the CCB is needed.

11) Prioritize Universal High-Quality Early Learning and Child Care

An equitable recovery will not be possible without a national childcare strategy that is universal, accessible, flexible and publicly funded that can do double duty by providing decent work for early child care educators and by enabling parents, especially mothers, to return to work. Campaign 2000 supports Child Care Now's Strategy For Recovery two phased approach. In the first phase, the plan calls for \$2 billion for ELCC in new federal transfers to the provinces/territories and Indigenous communities to support the safe and full recovery of regulated child care as part of the reopening of the economy. In the second phase, the plan proposes ELCC spending of \$2 billion in 2021-22, increasing each year by \$2 billion (that is, \$4 billion in 2022-23, \$6 billion in 2023-24, etc.). The federal funds would be used to move Canada towards a fully publicly funded system, in partnership with the provinces/territories and Indigenous governments.

12) Housing for All

Eliminating homelessness and core housing need must be central to federal recovery plans, including reassessment of the definition of ‘chronic homelessness’ to capture the experiences of children and families including women and gender diverse people experiencing violence, immigrants and refugees and First Nations, Inuit and Métis Peoples. Immediate acceleration of the co-development of the three distinctions-based Indigenous housing strategies and commitment to a fourth complimentary strategy to address the needs of urban and rural Indigenous Peoples with an immediate priority to expand the availability of safe and adequate housing for Indigenous women, girls and gender-diverse peoples as recommended in the Calls to Justice is required to address needs in these communities.

We recommend doubling the federal investment to \$8 billion for the Canada Housing Benefit to support families struggling to pay rent. Fully resource the Housing Advocate and Council to be able to appropriately investigate systemic issues.

Ensure that 25% of resources for all programs reach diverse women, girls and gender-diverse people as per GBA+ commitments in the NHS, including the Rapid Housing Initiative (RHI), and work with impacted communities and organizations to develop accountability frameworks and metrics.

13) Universal Medicare

Access to prescription medication was a challenge prior to the pandemic, and now many who have lost jobs during the pandemic have lost their work-related health insurance. We recommend 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. The pharmacare program must be expanded to include dentistry, vision and various rehabilitation services.

14) Addressing Income Inequality

Economic inequality has been on the rise for decades, and while the pandemic has disproportionately negatively impacted already marginalized communities, wealthy individuals and corporations have been benefitting. Progressive tax measures are powerful tools the government has available to reduce economic inequalities and raise much needed revenues for pandemic recovery and poverty reduction initiatives. These include: a modestly graduated wealth tax; an inheritance tax; eliminating or reducing highly regressive tax measures; and closing tax havens.

We also strongly recommend immediate implementation of an excess profit tax or corporate tax focused on pandemic windfall gains and increasing the corporate tax rate that applies to ‘normal’ profits.