

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

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METTONS FIN À LA PAUVRETÉ
DES ENFANTS ET DES FAMILLES

Budget 2022 Submission, House of Commons Standing Committee on Finance

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Leila Sarangi
National Coordinator, Campaign 2000
c/o Family Service Toronto
355 Church Street, Toronto ON M5B 0B2

647.393.1097

leilasa@familyservicetoronto.org

www.campaign2000.ca & www.familyservicetoronto.org

Immediate priorities for income security

1. Implement a CERB Repayment Amnesty for everyone living below or near the low income measure; immediately cease treating CERB and recovery benefits as taxable income for individuals with incomes below the low income measure. Reverse GIS reductions for low income seniors as a result of receiving CERB.
2. Enable access to the CCB by removing barriers for families with precarious immigration status and customary care, kinship and families caring for children outside of formal arrangements. Invest substantially in the base amount so that the CCB continues to reduce child poverty rates across the country.
3. Create a system for income support eligibility determination and benefit distribution for marginalized people outside of the personal income tax system.

Additional recommendations

4. Adopt more ambitious poverty reduction targets and invest in Budget 2022 with the goal of reducing overall poverty and poverty in marginalized communities by 50% between 2015 – 2025 based on the Census Family Low Income Measure After Tax (CFLIM-AT) using annual T1 Family File data.
5. Implement the new suite of income supports as outlined in the 2022 Alternative Federal Budget (forthcoming from Canadian Centre for Policy Alternatives), including the Canadian Livable Income for working age individuals who are not parents and the Canadian Disability Benefit.
6. 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.
7. Allocate funding toward immediate compliance with the Canadian Human Rights Tribunal (CHRT) ruling to a) provide equitable funding for child welfare services on reserve and b) ensure the full application of Jordan's Principle and the Spirit Bear Plan.
8. Fund full implementation of both 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.
9. Renew total spending allocations to build a universal, accessible and affordable child care system. This system will require both capital and operational dollars.
10. 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. Double the federal investment in the Canada Housing Benefit to \$8 billion and implement a Tenant Support Benefit for low income renters who have accrued arrears during the pandemic.
11. 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 medicare system.
12. Address growing income inequality and generate revenue for poverty reduction programming by eliminating tax loopholes, closing tax havens, taxing extreme wealth, and implementing excess profit tax focused on corporate pandemic windfalls.

Child and Family Poverty In Canada

In December 2020, we released our annual report card that showed troubling trends: progress on child poverty was stalling *before the pandemic*. The national child poverty rate declined by less than half of one percentage point according to the low income measure (CFLIM-AT), representing less than 20,000 additional children lifted out of poverty between 2017-2018. The depth of poverty had increased across all family types. And analysis of the distribution of income revealed that those in the lowest income decile had \$1300 less in 2018 than they did in 1989, the year the promise to end child poverty in Canada was made.

It is families who are experiencing systemic discrimination, First Nations, Inuit, Métis, racialized, im/migrant, newcomer, children and families with disabilities, in lone mother led families, among other marginalized groups who are disproportionately poor, who are concentrated in low-waged, precarious working conditions and who have been disproportionately impacted by the economic fallout of the pandemic. These families did not have supports and savings in place to keep them safe and isolated at home.

We are now in an environment where there is an extended period of uneven economic recovery, inflation causing the cost of living to rise, continued clawback on the lowest income earners for pandemic benefits, lifting of evictions moratoriums across the country and no delivery yet of promised permanent benefits (10% increase to OAS, the new disability benefit and affordable childcare)

Budget 2022 must focus on supporting the families and individuals who have fallen through the crevasses in our social security system. The following recommendations from Campaign 2000 will help to ensure that truly no one is left behind in recovery efforts.

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. Cease treating the CERB and recovery benefits as taxable income and reverse the GIS reductions for low income seniors as a result of receiving CERB. These benefits were crucial to supporting low income earners during the pandemic; it was not surplus money. These funds contributed towards stabilizing families during this very unstable period, and acted as an economic stabilizer as funds were spent locally on necessities. It is cruel to force repayments, no matter how minimal they may seem, or burden these families with thousands of dollars in federal debt. These repayments will also not result in any significant source of revenue for the federal government.

2) Canada Child Benefit (CCB)

Campaign 2000 research indicates that without increased investments into the base CCB, child poverty rates will not continue to decline. Budget 2022 should invest robustly into this program such that it works with other income benefits to drive family incomes up to the low income measure.

Ensure that families without regularized status have access to the CCB by repealing s.122.6(e) of the Income Tax Act that ties eligibility to immigration status. Enable different government agencies 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 and ensure that kinship, customary care, and families caring for children outside a formal care arrangement have access to the CCB.

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 and guide all decision-making.

- Strengthen the Poverty Reduction Strategy. Invest of \$6 billion in Budget 2021 with the goal of reducing overall poverty and poverty within marginalized communities by 50% between 2015 – 2025 based on the CFLIM-AT using taxfiler 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 bring incomes 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.

Implement the income security measures as outlined in the forthcoming Alternative Federal Budget 2022 by the Canadian Centre for Policy Alternatives. Two new programs include the Canadian Liveable Income individuals at \$5,000 per person and the Canadian Disability Benefit at \$11,040 per person targeted to low income individuals. It is estimated that provinces and territories will save approximately \$1.5B with the full implementation of the CDB, which the federal government stipulate be re-invested into social assistance adequacy.

Further invest \$2 billion into the Canada Social Transfer to support social assistance adequacy. Provide sufficient recognizing regional economic variations and meet human rights obligations to provide adequate income support. Bind funding through the CST to minimum standards and make conditional that income supplements including the CCB, Child Support Payments, Child Disability Benefit, child

related Employment Insurance benefits and pandemic emergency benefits are not deducted from social assistance.

Temporary pandemic income benefits must be in place until full income security reform is achieved.

6) Invest in Workers

Reform EI with measures to ensure marginalized workers have access with: expanded access for premium payers currently excluded; extended access to new enrollees; permanent reduction of qualifying hours; boost to the benefit rate (min \$500 as set by EI temporary reforms); and eliminate the discriminatory 33% benefit rate for extended parental benefits.

7) & 8) Eradicate Poverty Among First Nations, Inuit and Métis Families

Budget 2022 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 full funding for the TRC's 94 Calls to Action and adopt and the MMIWG Inquiry's Calls to Justice.

9) Child Care for All

Renew total annual allocations: \$5.6 billion 2022-23, \$7 billion in 2023-24, \$8 billion in 2024-25, and \$9.2 billion in 2025-26 to build a Canada-wide system of publicly funded and managed high quality child care in partnership with the provinces and territories. Ensure (a) affordability and accessibility; (b) a comprehensive work force strategy and (c) limit expansion to the not-for-profit and public sectors. Honour and fund the Indigenous Early Learning and Child Care Framework.

Earmark additional funds to support capital spending on public child care infrastructure to support expansion. This universal system will require both capital and operational dollars.

10) Invest in Housing

Reassess the definition of 'chronic homelessness' to capture diverse experiences of children and families including women and gender diverse people experiencing violence, immigrants and refugees and First Nations, Inuit and Métis Peoples. Accelerate the co-development of Indigenous housing strategies and prioritize the availability of safe and adequate housing for Indigenous women, girls and gender-diverse peoples as recommended in the Calls to Justice.

Doubling the federal investment to \$8 billion for the Canada Housing Benefit to support families struggling to pay rent. Implement a new Tenant Support Benefit for low income renters who have accrued arrears during the pandemic due to loss of work. Ensure that at minimum 25% of resources for all programs reach diverse women, girls and gender-diverse people as per GBA+ commitments in the NHS.

Budget 2022 must fully resource the Housing Advocate and Council to be able to appropriately investigate systemic issues.

11) Universal Medicare

Many who lost jobs during the pandemic have lost 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.

12) 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.