Executive Summary

Child poverty in Canada remains pervasive in every jurisdiction. Poverty reduction has stalled and given the impacts of the pandemic it is likely to increase in the next few years. As the 44th Canadian Parliament enters session, there will be pressure to deliver a COVID-19 recovery plan that leaves no one behind.

- In 2019, 1.3 million children (17.7%) were living below the Census Family Low Income Tax Measure After Tax (CFLIM-AT). That is 24,200 additional children lifted out of poverty. If each year only 24,000 children are lifted out of poverty it would take 54 years to end child poverty.

- The child poverty rate is higher (18.5%) for children under six than for all children.

- The child poverty rate in Nunavut was 34.4% (highest in the country) and 28.4% in Manitoba (highest of the provinces).

- Children are living in deeper poverty. For example, the average single parent family with 2 children living in low income was $13,262 away from the CFLIM-AT in 2019, compared to $9,612 away in 2015. This highlights a concerning trend: the families and children that remain in poverty are further from the poverty line than in previous years. To reach the poverty line, a parent earning $15 per hour would need to work an additional 5.5 months full-time, assuming no taxes or deductions.

- The reduction in poverty associated with the Canada Child Benefit will continue to stall as the benefit cannot move eligible families in deep poverty out. The maximum CCB is $6,639 for each child under six and $5,602 for each child between six and seventeen.

This year’s national report card examines poverty through a social determinant of health framework. Dismantling systemic racism, particularly anti-Indigenous and anti-Black racism, is needed to eradicate poverty and inequality. Policies meant to address higher poverty rates in marginalized communities need to be developed with the communities they target and incorporate trauma-informed principles to policymaking.

The COVID-19 pandemic has highlighted and exacerbated many inequities in our society. Lessons learned from benefits introduced during the pandemic should be applied to remedy flaws in permanent benefits. Campaign 2000 calls for immediate CERB repayment amnesty, amendments to the CCB to ensure all families receive the benefit, and for a
parallel community-based benefit eligibility and delivery system.

The loss of income associated with the COVID-19 pandemic has been especially challenging for low-income renters and has amplified the homelessness crisis. All shortcomings to adequate housing constitute a violation to the right to housing, including families forced to isolate in unsafe homes and overcrowding in homes which was linked to higher COVID-19 transmission.

Canada’s market-based childcare model puts low-income parents, especially single mothers, at a disadvantage. Prioritizing quality childcare programs that are accessible and affordable will be essential to close the gender employment gap and the gender pay gap, which were heightened during the pandemic.

The precarious nature of low-wage work and the limitations of Employment Insurance highlighted how prevalent violations of the right to work have become. The dangerous conditions that migrant workers face, the absence of savings among low wage workers, the inability of EI to insulate against shocks and essential nature of the care economy will need to be addressed.

The strain on the health care system has been highlighted from the beginning of the pandemic. Particularly, the absence of accessible mental health supports and paid sick days which force workers to continue working while sick, leading to increased transmission. Children and youth have experienced unprecedented disruptions to their lives, while the stress and isolation is likely to exacerbate mental health concerns.

This year’s national report card, No One Left Behind: Strategies for an Inclusive Recovery, includes more than 60 recommendations on poverty reduction measures that cover income, housing, childcare, youth, decent work, healthcare, and systemic inequities. Recommendations range from policies that would increase income, to recommendations that would entrench and protect the human rights to housing, work, health, food, and life.

This is an unprecedented opportunity for a re-set that has the potential to end inequality and child poverty. New policies must consider the impacts of COVID-19, including increased inequality, poverty, and the lasting challenges brought on by stress and isolation.

Campaign 2000 urges the 44th Canadian Parliament to take immediate and bold action to eradicate child poverty.
Poverty is not Inevitable

Poverty is best illustrated as a violation of human rights that limits an individual’s ability to participate meaningfully in society\(^1\). This definition illustrates a broader concept than material deprivation as it captures the relative nature of poverty and provides depth to what it means to live in poverty. For example, a person experiencing homelessness has their right to adequate housing violated, and a person who cannot afford their prescribed medications has their right to health violated. Adopting a human rights approach to poverty reduction means putting the focus on realizing the human rights of people living in poverty.

Poverty impacts individuals throughout their life course, and for multiple generations\(^2\). Each stage of a person’s life, from gestation to old age, influences the next stage and is intertwined with their social, economic, and physical environment. Social determinants of health — such as adequate housing, social supports, education, decent work, and comprehensive care — are also recognized as human rights. Social determinants of health relate, intersect, and mutually reinforce one another.

The COVID-19 pandemic and concurrent social movements have brought discussions of public health, inequality, and communal care into the public discourse. The pandemic and these movements have also led to increased public attention on governmental policies – at all levels of government – and ignited conversations on governments’ obligations to keep people safe, as well as everyone’s responsibility to hold leaders accountable.

Higher poverty rates and the related structural exclusion experienced by marginalized peoples results in these populations shouldering a greater share of the burden of the pandemic. These burdens include higher COVID-19 cases, greater instances of job loss, accumulated rent arrears, increased food insecurity, and higher overall stress levels. The 44\(^{th}\) Canadian Parliament is now in session and is responsible for ensuring that the COVID-19 recovery does not resemble a return to the status quo. A human rights approach embedded into the federal pandemic recovery plan will ensure that new policies center the needs and rights of the most marginalized communities.

A discussion on health and poverty is incomplete without connecting how historical trauma shapes present-day conditions. Historical trauma is unique in that it refers to a collective trauma experience that accrues for a group of people with a shared identity and across generations.\(^3\) Historical trauma is multifaceted; it is at the same time cross-generational and multigenerational. Thus, policymakers should design social policy
following the core principles of trauma-informed care. The experience of collective trauma is ongoing for many marginalized communities. Indigenous children are still being apprehended into the foster care system, reminiscent of the residential school system. Environmental exploitation is also a root cause of trauma, particularly for many Indigenous nations for whom the concept of nature is nearly impossible to disentangle from the concept of personhood. In such a sense, environmental degradation is violence. Systemic racism, notably anti-Black racism, and the social exclusion and oppression of racialized and marginalized communities also results in shared trauma.

Although government policy is siloed into narrow sectors, children’s lives are multi-dimensional, and disadvantages accumulate over a lifetime. Eradicating child poverty goes further than lifting children out of material poverty. It includes ensuring every human right is met for all children, setting them up to thrive for the rest of their lives.

Summary Recommendations

**Federal Poverty Reduction Strategy**

- Commit to a 50% reduction in poverty between 2015 and 2025 and eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax (CFLIM-AT) 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, people with disabilities, immigrants, and people in female-led lone-parent families.

- Entrench the right to an adequate standard of living within the Poverty Reduction Act and include mechanisms to realize these rights, such as an all-party appointed advisory council and a poverty reduction advocate who can investigate major systemic issues.

- Mandate a data-collection strategy that collects data disaggregated by Indigenous identity, impairment, race, gender, migrant status, and 2SLGBTQQIA+ identity, among other sociodemographic identities. Detailed data are critical for poverty reduction planning, monitoring, evaluation, and budgeting. Further, strengthen and refine intersectional gender-based policy and budget analysis using both quantitative and qualitative data.

**First Nations, Inuit and Métis Children**

- Collaborate with First Nations, Inuit and Métis governments, and organizations, including women’s and 2SLGBTQQIA+ organizations to
develop plans to prevent reduce and eradicate child and family poverty.

- Entrench Nation to Nation, government to government and Inuit-Crown relationships by ensuring respect for inherent rights, treaties, title and jurisdiction; full participation in economic growth; sufficient, predictable, long-term funding 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.

- 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.

- Protect Indigenous children’s rights by supporting Indigenous leadership and civil society organizations in their delivery of culturally grounded, trauma-informed services and supports. Ensure they have all the resources necessary to support their community in a culturally informed manner.

Racialized children

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

- Accelerate implementation of the recommendations from the 2017 United Nations Report of the Working Group of Experts on People of African Descent on its Mission to Canada so Black communities and families can fully and equally participate in all aspects of society.

Tax and transfers/inequality

- Increase Canada Child Benefit (CCB) allocations in Budget 2022 so that all families with incomes below the CFLIM-AT can access CCB pandemic top-up amounts, no matter the age of their children. Invest substantially in the base amount of the CCB to ensure that it supports an interim target of a 50% reduction in child poverty by 2025 according to the CFLIM-AT calculated using tax filer data.

- Ensure government transfers are accessible: repeal legislation tying eligibility of the CCB to immigration;
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; Set the qualifying threshold Canada Workers Benefit to $0, untying the benefit from employment and substantially increase benefit amounts.

- Invest $4 billion into the Canada Social Transfer (CST) to support social assistance adequacy and remove arbitrary growth restrictions as first steps towards ensuring that income and disability assistance programs bring incomes up to the CFLIM-AT. Require the development of minimum standards for income benefits and social services funded through the CST. These minimum standards must include binding conditions stipulating that income supplements – including the CCB, Child Disability Benefit, child support payments, and child-related Employment Insurance benefits – are not deducted from social assistance.

- Fast-track the implementation of two new federal disability benefits – one for adults and one for children – using research and data already available and including people with disabilities in meaningful and active ways through every step of the process. Ensure that the benefit: reaches those with low incomes with expanded criteria; is refundable; and allows workers to keep earned income.

- Immediately implement a CERB Repayment Amnesty for everyone living below or near the low income measure after tax and cease treating it as earned income. Immediately reinstate the CRB at the full amount of $500 weekly until Employment Insurance is reformed.

- Research and develop a parallel community-based benefit eligibility and delivery system for low-income, marginalized non-tax filers. 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.

- 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.
**Housing**

- Take 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.

- Prioritize the appointment of a strong, well-led and well-resourced Federal Housing Advocate and bolster the capacity of the National Housing Council.

- Ensure that all levels of government adopt measures to prevent evictions wherever possible and prevent all evictions that result in homelessness.

- Invest into new social housing supply and the repair, renewal and retrofit of the existing social housing stock with the goal to eliminate core housing need. Ensure supportive housing supply is allocated for people with mental, physical, developmental and addictions health concerns.

- Ensure that at minimum 33% of all housing investments reach households led by diverse women and gender diverse people as per GBA+

**Child Care**

- Work with provinces/territories to implement operational funding of childcare programs based on set (daily) fees on a sliding ability-to-pay scale, from $0 to a maximum of $10, replacing full user fees and individual parent fee subsidies.

- Work with provincial/territorial partners to ensure that operational funding of childcare services factor in decent, fair compensation for staff, in addition to affordable parent fees and other operational costs. Provincial/territorial wage grids, as well as provincially/territorially set parent fees, are essential pieces of funding policy.

- Ensure that public planning and management bodies assume responsibility for creating and maintaining non-profit and public childcare services. Services must be equitably located and include low-income and high-needs communities and rural and less densely populated communities.

- Honour and fund the Indigenous Early Learning and Child Care Framework.
Youth

- Create universal access to postsecondary education by eliminating tuition fees and increase the maximum amount of support given to low-income recipients of the Canada Student Grant. Eliminate interest paid on the federal portion of student loans.

- 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.

Decent work

- Ensure wages are adequate, and at minimum bring employment incomes up to the CFLIM-AT. Equal pay and benefits for all workers, regardless of employment status, gender, racialization, and immigration status, must also be legislated.

- Introduce a pan-Canadian workforce development strategy for the Care Economy. These jobs need to be rebuilt from the bottom up with a focus on the most vulnerable workers. In Long Term Care, this strategy would include a new floor of enforceable minimum labour standards, better pay and working conditions, more full-time positions, and skills development support.

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

- Reform Employment Insurance with measures including expanding access for premium payers currently excluded; extending access to new enrollees; reduce qualifying hours to 360 hours or 12 weeks Canada-wide; boost the 55% benefit rate; permanently introduce a minimum weekly benefit; and eliminate the discriminatory 33% benefit rate for extended parental benefits.

Healthcare

- Expand funding for community-based mental health and wellness programs accessible to youth, with funding reserved to provide culturally responsible supports for First Nations, Inuit and Métis Peoples, Black, racialized, 2SLGBTQI+, and marginalized youth.
• Permanently amend the Canada Labour Code to ensure workers have access to ten permanent paid sick days with an additional fourteen days available during public health emergencies.

• Enhance the Canadian medicare program to include pharmacare, dentistry, vision and physical rehabilitation services.
Child and family poverty and inequality

In 1989, Parliament unanimously adopted a resolution to end child poverty by the year 2000. Thirty years later, in 2019, almost six million people (16.4% of the population) in Canada still lived below the Census Family Low Income Measure After Tax (CFLIM-AT), of which 1.3 million were children. This represents 17.7% of children suffering from the ongoing and long-term physical, mental, emotional, economic and social harms of poverty. The rate of poverty for children under six is even higher at 18.5%, representing 433,740 children in poverty. The higher poverty rate for children at this important age of development is of critical concern given the life-long impact poverty has on educational and occupational attainment.

Across Canada, rates of child poverty vary by geography. In 2019, Nunavut had the highest child poverty rate in the country at 34.4%, and Yukon the lowest at 11.8%. Among the provinces, Manitoba had the highest rate at 28.4%, followed by Saskatchewan at 26.1%. Only three provinces and one territory had child poverty rates below the national average:

*Chart 1: Child Poverty Rates Across Canada, Under 18*

Source: Statistics Canada Table 11-10-0018-01. After-tax income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2019.
Quebec, Alberta, Ontario, and Yukon (chart 1).

Poverty rates are alarmingly high for children under six in some provinces and territories. The highest rates of poverty for children under six were in Nunavut (42.6%) and in Manitoba (31.9%). Only three provinces and one territory had child poverty rates below the national average: Quebec, Alberta, British Columbia and Yukon (chart 2).

Examining child poverty by federal riding levels reveals that even at smaller geographic levels, child poverty is a significant issue in every single riding across the country, and it is an issue across urban, suburban, and rural areas. Custom interactive mapping by the Canadian Centre for Policy Alternatives organizes federal riding data into colour-coded quintiles (20% of ridings in each quintile). The dark red ridings have the worst

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**Chart 2: Child Poverty Rates Across Canada, Under 6**

![Chart showing child poverty rates across Canada](image)

- **Canada’s National Rate of Child Poverty (Under 6): 18.5%**
- **Below National Rate**
- **Above National Rate**

*Source: Statistics Canada, custom tabulation, T1 Family File, 2019.*
(highest) rates of child poverty in the country and taken together, the average child poverty rate in that quintile is 28.2%. This is compared to the average rate of the best (lowest) quintile, which has an average child poverty rate of 9.9%. Clicking on any one riding on the map shows the number and rate of child poverty and the quintile that riding is in.

The ridings of Churchill--Keewatinook Aski, Manitoba and Desnethé--Missinippi--Churchill River, Saskatchewan, both large rural ridings with high First Nations populations, have the highest rates of child poverty in the country at 64.4% and 57.7% respectively. The urban riding of Winnipeg Centre, Manitoba, has the third highest rate of child poverty at 39.6%.

Progress on child poverty is stalling

Since 2000, child poverty rates in Canada have fallen by 6.5 percentage points from 24.2% to 17.7%. In 2019, there were 1,313,400 children living in poverty, or 17.7% of all children (chart 3).

Since 2015, poverty rates have fallen from 20.9% to 17.7%, representing 189,310 children being lifted out of poverty (chart 4). When examined on an annual basis, 82,200 children were lifted out of poverty in 2016, followed by 63,500 in 2017, 19,400 in 2018, and 24,200 in 2019. When examined as relative changes, child poverty decreased by 11.0% from 2015 to 2019.
2017, but only by 4.8% between 2017 and 2019.

In 2018, Canada adopted its first Poverty Reduction Strategy which identified the Market Basket Measure (MBM) as the official measure of poverty. In our annual reporting on child poverty, however, Campaign 2000 continues to measure poverty using the CFLIM-AT calculated with taxfiler data because it is more inclusive and correlates more highly with health status and challenges in child development (see A Closer Look: Poverty Measurement textbox).9

In 2019, the CFLIM-AT reported 633,400 more children living in poverty than the MBM (chart 4). The initial reduction in poverty measured by the MBM highlights a rise in incomes, since it is a measure of material deprivation that measures only whether a family can purchase their basic needs items. A comparison to the CFLIM-AT, being a relative measure that depicts poverty as inequality defined as the difference from typical (median) income, shows that there was not a similar rate of reduction in poverty, rather the gap between the two measures has been widening annually since 2015.

Changes in child poverty rates between 2018 and 2019 are small, indicating that progress under the poverty reduction strategy has stalled. Prince Edward Island had the largest percentage point reduction (-1.0%). Meanwhile, Alberta, Quebec, British Columbia, Ontario, Nova Scotia, New Brunswick, and the Northwest Territories had reductions in the range between 0.1 - 0.7% (chart 5).

**Figure 1: Census Family Low Income Measure, After-Tax 2019 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>22,518</td>
</tr>
<tr>
<td>Lone parent with one child</td>
<td>31,845</td>
</tr>
<tr>
<td>Lone parent with two children</td>
<td>39,002</td>
</tr>
<tr>
<td>Couple with one child</td>
<td>39,002</td>
</tr>
<tr>
<td>Couple with two children</td>
<td>44,036</td>
</tr>
</tbody>
</table>

A closer look: poverty measurement

This report measures poverty using the Census Family Low Income Measure, After Tax (CFLIM-AT), which is defined as 50% of median income for a particular family size. The Census Family Low Income Measure (CFLIM) is a relative measure of poverty which tracks changes in living standards and compares the living standards of low-income individuals and families to that of the rest of society. The CFLIM is calculated using data from the T1 Family File (T1FF) tax file. It is a reliable and broad source of annual income data that includes communities with high prevalence of poverty such as populations of the territories, First Nations People living on reserve, those living in institutions, parents under 18, and people living in the territories. Selecting the after-tax measure takes government transfers into account.

The official poverty line in Canada is the Market Basket Measure (MBM), which was entrenched into legislation in June 2019 when the Poverty Reduction Act (PRA) came into effect. The MBM measures material deprivation, establishing 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 ‘basic’ and ‘modest’ standard of living in a particular geographic region using five categories: food, clothing, shelter, transportation, and a category of other essential items. Families with a disposable income that is less than the threshold for their region are considered to be living in poverty.

The MBM data source is the Canadian Income Survey. This survey uses a smaller sample size so is subject to more sampling error and it excludes many populations with higher poverty rates such as people living in the territories and on First Nations. In addition to this exclusion is the subjectivity of what goes into the baskets and what is considered to be a ‘basic’ standard of living. This type of calculation results lower poverty thresholds and the subsequent “invisibilizing” of child poverty, in particular the poverty of Indigenous children with the use of the MBM (Frankel and Sinclair, forthcoming) (Chart 4).

Both measures capture different aspects of poverty and in both cases each present a partial picture of poverty. Adjusting the CFLIM to 60% of the median income is aligned with the metric used by the European Union, enabling international comparisons.
Saskatchewan did not see a change in its child poverty rate. Of concern are the increases in child poverty in several provinces and territories, including Nunavut, whose +2.0% child poverty rate increase was the largest of all jurisdictions. As seen in chart 5, other provinces that saw marginal increases in 2019 were Manitoba (+0.1), Newfoundland and Labrador (+0.2), and Yukon (+0.7).

**Children who remain in poverty are further from the poverty line**

The failure to see consistent and significant reductions in the child poverty rate across jurisdictions reflects the failure of the Canada Child Benefit (CCB) in its role to enable the elimination of child poverty. The CCB has been targeted to lifting families close to poverty line above it. Maximum benefit amounts in 2019 were $6,639 for each child under six and $5,602 for each child between six and seventeen. Eligible families whose incomes are below those amounts remain in poverty.

Statistics Canada defines the average poverty gap ratio as the dollar amount a household income is below the poverty line, expressed as a percentage. In 2019, the average low-income gap ratio for children increased for the first time since 2012 to 37.3%. Although the increase was marginal (up from 37% in 2018), it was the first time it has increased in nearly a decade. Children were living in deeper poverty, further away from the poverty line, than in years prior. When examined by family type rather than only children, lone parent households experienced much deeper poverty than couples with children. A lone parent with one child had the largest income gap ratio of 44.1% (chart 6). In order to be lifted out of poverty (CFLIM-AT), this family would need an additional $12,025.

**Chart 6: Average Low-Income Gap Ratio in Canada by Family Composition in 2019**

Source for CFLIM_AT data: Statistics Canada Table 11-10-0018-01. After-tax income status of tax filers and dependents based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition, 2019.
A closer look: the intersection between income and food insecurity

In 2017-2018, 4.4 million Canadians, including 1.2 million children, lived in a food-insecure household. Severe food insecurity, defined as missing meals, reducing food intake, and/or going days without food, was found in 3% of households. At a provincial level, the prevalence of food insecurity was highest in Nunavut (57%) and lowest in Quebec (11.1%). A study that spanned 2005 to 2014 found that more than one-third (36.6%) of Black children lived in food-insecure households, compared to 12.4% of white children. Food insecurity is rooted in inadequate financial resources and closely related to income and social inequalities. The measurement of food insecurity adds to our understanding of poverty by identifying the experience of serious material deprivation.

A study on food insecurity in the early days of the pandemic found that households with children reported food insecurity at a rate of 19.2% in the preceding 30 days, compared to 12.2% of households without children. Protecting families from experiencing food insecurity must be a built-in goal of the CCB and can be achieved by re-targeting benefits so that the lowest income families receive more. The impact of the CCB on food insecurity should be reported on as part of Canada’s Poverty Reduction Strategy, along with that of other programs.

For children, food insecurity is associated with poor nutrition, hyperactivity and inattention, and difficulties in school. We also see associations between food insecurity and poor mental health across multiple indicators in youth. These impacts ripple over the life course of a person and accumulate over generations; research on maternal food insecurity found that it is associated with postpartum mental disorders and greater likelihood of infants being treated in an emergency department.

Food insecurity is especially stark for individuals and families in Inuit Nunangat, and families with children are more likely to experience food insecurity. Extremely high food prices, poverty and colonial market food systems are all drivers of food insecurity. Surveys of Inuit Peoples highlight the links between food insecurity and poor health, chronic conditions, nutritional deficiencies, and psychological distress. To be effective, food strategies need to be developed in partnership with Inuit Peoples and must focus on strengthening Inuit self-determination.
Economic inequality is unhealthy for society and toxic for children

Recent research conducted by UNICEF Canada found that the wealth and resources of this country is not translating into wellbeing for all children. Compared to other OECD countries (for which data were available), Canada ranked 30th out of 38 countries in UNICEF Report Card 16, its lowest overall ranking since the report card series began in 1999. Contributing to this dismal evaluation is the less-than-adequate spending on cash transfers, social services, and tax breaks for families. Canada allocated 1.7% of GDP towards these programs, 30% lower than average for OECD members.

Looking at distribution of income highlights income inequality. The highest decile of families with children held 25.2% of total income, compared to just 1.5% in the bottom decile (10% of families in each decile) (Chart 7). This disparity is so significant that the top 10% of families with children held nearly the same share of income as the bottom 50% of families with children. In dollar amounts, the first decile had an average after-tax income of $14,000, compared to $74,200 in the fifth decile, and $231,000 in the top decile.

![Chart 7: Percent Share of Income by Decile for Census Families, 2019](source: Statistics Canada Custom Tabulation, Share of income by decile for families with children under 18, 2019)
(Chart 7). In 2019, the average income of a family in the highest decile was 16.5 times higher than that of a family in the lowest decile.

Income inequality has widened over time, with income growing notably for the highest decile while incomes in other deciles stagnated or even decreased. At the same time, the intergenerational component of income (and wealth) inequality exacerbates inequality along racial lines, as many non-white populations were formally and informally prevented from accumulating wealth.

**Canada’s Poverty Reduction Strategy**

Leveraging the federal government’s Poverty Reduction Strategy (PRS) and Poverty Reduction Act (PRA) will be essential as pandemic recovery plans are developed and implemented. As we reflect on the past nearly two years of the COVID-19 pandemic, it has become common knowledge that the effects on health, social, and economic impacts related to COVID-19 have not been borne...
equally. As is documented throughout this report, emergency and temporary pandemic measures missed many of those made vulnerable by systemic marginalization. There is, however, an opportunity to re-set right now as recovery plans are being made and a minority federal parliament sets out on a new mandate. Strengthening the PRS and PRA would include a focus on the most vulnerable and establishing more ambitious targets and timelines backed up by budget investments so that truly no one is left behind.

**Recommendations**

- Commit to a 50% reduction in poverty between 2015 and 2025 and eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax (CFLIM-AT) 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.

- Entrench the right to an adequate standard of living within the Poverty Reduction Act and include fully resourced and independent mechanisms to realize these rights, such as an all-party appointed advisory council and a poverty reduction advocate who can investigate major systemic issues.

- Amend legislation to maintain the Poverty Reduction Advisory Council until poverty is eradicated across Canada. The Advisory Council should be independent and appointed by an all-party committee and report directly to the House of Commons.

- Replace the Market Basket Measure, which measures material deprivation, with the Census Family Low Income Measure After Tax, calculated with annual tax filer data (CFLIM-AT) as the Official Poverty Line. The Low Income Measure is a more comprehensive indicator of all aspects of poverty. Increase the CFLIM-AT thresholds to reflect 60% of the median income to cohere with global standards, such as those used by OECD and UNICEF.

- Develop a detailed plan describing new and expanded policies, programs, timelines, annual targets, evaluation methods and accompanying budget commitments.

- Mandate a data-collection strategy that creates poverty data disaggregated by Indigenous identity, impairment, race, gender, migrant status, and 2SLGBTQQIA+ identity, among other sociodemographic
identities. Detailed data are critical for poverty reduction planning, monitoring, evaluation, and budgeting. Strengthen and refine intersectional gender-based policy analysis and budget decisions using both quantitative and qualitative data.

Ending child poverty for First Nations, Inuit and Métis Peoples

Among other factors, the forced separation of First Nations, Inuit, and Métis Peoples from their land, culture, and community and the legacy of Residential Schools has led to ongoing trauma, systemic discrimination, and intergenerational poverty for First Nations, Inuit and Métis Peoples. The ongoing and resurfacing traumatic nature of colonial policies, such as Residential Schools, is highlighted by the uncovering of burial sites across the country.

Uncovering these truths has not translated into urgent action to complete the recommendations from the Truth and Reconciliation Commission and the Inquiry into the Missing and Murdered Indigenous Women and Girls report. Rather, the federal government has appealed the Canadian Human Rights Tribunal ruling which would compensate nearly 50,000 First Nations children in the on-reserve child welfare system since 2006. Other actions taken by the federal and provincial governments that undermine First Nations, Inuit and Métis sovereignty include the criminalization of land defenders at Fairy Creek, Wet’suwet’en, 1492 Land Back Lane, and more.

First Nations, Inuit and Métis children, youth, and families living in urban settings often face poverty, stigmatization and discrimination, encountering barriers to accessing culturally safe education and childcare, trauma-informed health care, and adequate housing. The Government of Canada’s progress to reduce poverty in First Nations, Inuit and Métis communities remains slow, with poverty rates among Indigenous people in urban, rural, and remote areas remaining exceedingly high compared to the general population.

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 9). The poverty rate was 4.4 times higher for Status First Nations children living on reserve than non-racialized, non-immigrant, non-Indigenous children. Two of the many effects driving these trends are 1) First Nations, Inuit and Métis...
children’s material needs are not being met and the denial of opportunities available to other children and 2) poverty is translated as child neglect and used to legitimize child apprehensions into foster care.

The child welfare system in Canada perpetuates colonial harm among children, causing children to become disconnected from their culture and internalize stigma. A pressing concern is the dramatic overrepresentation of First Nations, Inuit and Métis children within the child welfare system, and a lack of culturally safe, trauma-informed services. First Nations, Inuit, and Métis children account for 52.2% of children in foster care despite only making up 7.7% of the child population. 23 Sixty-six percent of Indigenous children in foster care live with a non-Indigenous family. 24 Many urban First Nations, Inuit, and Métis youth have nowhere to go after aging out of the child welfare system and foster care. They then find themselves in urban settings disconnected from their own cultures and languages, with no housing or services in place to support them.

There is a dramatically disproportionate number of First Nations, Inuit and Métis children in Canada whose rights are not adequately being fulfilled. Although Canada has signed onto the Convention on the Rights of the Child (CRC) and has included some principles from the CRC into Canadian law, such as the Best Interests of the Child (BIOC) principle, it still fails to fully incorporate CRC articles into Canadian law.
The United Nations Committee on the CRC noted its concern that Canada had an absence of comprehensive legislation covering the full scope of the CRC in national law, which results in fragmented and inconsistent implementation of children’s rights across Canada.\(^{25}\) There have been multiple policies, directives, and laws introduced since the UNCRC was ratified, including *An Act Respecting First Nations, Inuit and Métis children, youth and families* in 2019. However, many of the commitments outlined in the UNCRC and other legally binding documents are not being met in Canada today. Canada is failing to deliver upon its commitments under the global human rights framework.

All First Nations, Inuit and Métis children ought to receive culturally relevant programs and services offered by Indigenous-owned and operated entities. Canada requires more robust implementation and accountability of the Convention on the Rights of the Child (CRC) with a greater understanding of Indigenous children’s realities and specific strategies to ensure that urban First Nations, Inuit and Métis children are able to realize their full rights.\(^{26}\)

There remains a critical need for permanent, increased, and sustained funding and support for programming and services in all areas that reach First Nations, Inuit and Métis children, youth, and families. Comprehensive support largely remains a discretionary government practice rather than a stable and/or legislated financial policy or law. Federal and provincial jurisdicational discrepancies with governmental funding and provision of services have resulted in many Indigenous children and families having to navigate at least two levels of government when accessing essential services. Canada’s discriminatory conduct and inequitable funding drives child welfare maltreatment concerns such as poverty, poor housing, addictions, mental health, and domestic violence services.\(^{27}\)

The COVID-19 pandemic has had a disproportionate impact on First Nations, Inuit and Métis Peoples. Lack of adequate housing, water, health, and public services on reserves made self-isolation impossible and contributed to spreading the virus throughout families. The importance of telecommunications infrastructure, such as access to high-speed Internet, was highlighted during the pandemic when the majority of daily activities, ranging from schooling and social opportunities to doctors’ appointments, shifted online. Currently, only 24% of households in Indigenous communities have access to 59/10 Mbps, compared to the overall average of 84% of Canadians.\(^{28}\)\(^{29}\) The increased isolation and stress from the pandemic have compounded pre-existing mental health concerns while at the same time impeding access to mental health supports. Finally, the lack of race-based
data collection by 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.\(^{30}\)

In Budget 2021, many of the promises were the same ones made in 2015. Funding continues to fail to prioritize Indigenous governments, grassroots and women’s organizations, resulting in poorly allocated funding that further entrenches inequities. 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 remedy historic and systemic inequities.

**Recommendations**

- Ensure that Canada’s poverty reduction efforts address the distinct and diverse needs of Indigenous Peoples by implementing solutions that take into account factors including but not limited to:
  - Self-identification: First Nation/Inuit/ Métis
  - Geographical - or regional-specific information; North, South, East, West; proximity to urban centres, oceans, water, and natural resources; Locations of traditional territories and homelands; municipal, provincial, and territorial boundaries.
  - Residency; on-reserve/off-reserve, rural/urban, remote and northern, communities and settlements.
  - A gendered framework that ensures that impacts on women, girls, and 2SLGBTQQIA+ individuals and the differences and diversity among 2SLGBTQQIA+ Peoples are considered.
  - Understanding that the needs within communities of individuals may not necessarily be the same.\(^{31}\)

- Take immediate action to implement the Truth and Reconciliation Commission of Canada’s (TRC) 94 Calls to Action and the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) 231 Calls for Justice. The federal government must release a clear timeline on the implementations of the Calls to Action and Calls for Justice, with allocated funding. Survivors of residential schools deserve immediate action beyond budgetary commitments.\(^{32}\)
• Entrench Nation to Nation, government to government and Inuit-Crown relationships by ensuring respect for inherent rights, treaties, title and jurisdiction; full participation in economic growth; sufficient, predictable, long-term funding 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.33

• 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. Implement The Spirit Bear Plan to end inequalities across public services.

• Fully implement Jordan’s Principle per the CHRT definition and approach, regardless of the jurisdictional model per C-24- by;
  o Providing funding that is evidence-informed, based on wellbeing indicators that enables Indigenous children and families to receive full benefits from evidence-informed and culturally-based services;

• Expanding the number of Jordan’s Principle workers across Canada to; assist urban Indigenous families to be able to navigate the available supports and, if appropriate, be able to provide them in a culturally-relevant manner. This would support Indigenous families and children in accessing safe health care as well as assist families with navigating the complex jurisdictional landscape when seeking care for their children.

• Create a comprehensive national urban and rural distinctions-based Indigenous strategy in partnership with Indigenous leadership to close socio-economic gaps, advance reconciliation and permanently remove discrimination and racism from the health, social, child welfare and educational programs and services used by urban Indigenous Peoples.

• Protect Indigenous children’s rights by supporting Indigenous leadership and civil society organizations in their delivery of culturally grounded, trauma-informed services and supports. Ensure they have all the resources necessary to support their community in a culturally informed manner.34
Targeted Action is Needed to Lift Racialized Communities Out of Poverty

Communities marginalized by systemic barriers and discriminatory attitudes experience higher rates of poverty than the rest of the population. Systemic marginalization results in inadequate access to healthcare, food, housing, employment, and employee safety. Furthermore, research shows that poverty leads to worse health outcomes. Marginalization is both a driver of poverty and a result of it. In a capitalist society, classism entrenches the notion that poverty is a moral failing rather than a collective and political one.

Racialized children face high poverty rates

Data from the 2016 Census shows that child poverty rates in racialized and immigrant communities were much higher than the national average. More than one-quarter of racialized children (25.5%) and more than one-third of immigrant children (35%) lived in poverty. Among racialized groups, only children of Japanese (13.3%) and Filipino (9.5%) ancestry experienced poverty rates below the national average. Among Black, Korean, West Asian, and Arab children, poverty rates were 30.2%, 35.2%, 42.7% and 43.3%, respectively (Chart 10). Given the gaps in poverty rates

**Chart 10: Child Poverty Rates, Select Racialized Groups, Canada 2016**

between marginalized groups, not only is culturally specific policy needed, the communication of those policies needs to be targeted and effective.

High poverty rates in racialized communities are a result of systemic racism. Systemic racism is deeply entrenched in all settler-colonial states, including Canada. It results in a system designed to benefit white settlers in every arena, including employment, education, justice, and social participation. An example of how systemic racism manifests in our society is the higher COVID-19 rates among Black, Middle Eastern, South Asian, South-East Asian, and Latin American populations. The impacts of the pandemic, including the increased risk of racially motivated and xenophobic harassment, attacks, and stigma, are contributing to lower mental health levels for immigrants and non-permanent residents.

Systemic racism also manifests in the form of state violence, as illustrated by the incarceration rates in Black and Indigenous communities, victims of police brutality and killings, and the uncovering of mass graves of children at Indian Residential Schools. Dismantling systemic racism and white supremacy in Canada first requires all levels of government and settlers living on this land to understand the ways our entire lives are shaped by these systems. To begin remedying injustices, laws rooted in anti-Black racism, anti-Indigenous racism, and xenophobia, such as drug laws and immigration laws, need to be overturned. Eradicating poverty is contingent on this work being done, as poverty can only be eliminated if everyone can participate meaningfully in society.

Trauma-informed policymaking is transparent and designed with the collaboration of the policy’s target population. Both the process of policymaking and the policy objectives need to be empowering, center on safety, promote choice, and account for intersectionality.

**Recommendations**

- Create an Anti-Racism Act for Canada that provides a 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.
- Accelerate implementation of the recommendations from the 2017 United Nations Report of the Working Group of Experts on People of African Descent on its Mission to Canada so Black communities and families can fully and equally participate in all aspects of society.
• Incorporate the trauma-informed principles into policymaking at all levels of government.

• Eliminate policy uncertainty with regular communication from the municipal, provincial and federal leaders and adapt communication and outreach styles to ensure broader reach.41

The tax and transfer system must do more to eliminate poverty

Government transfer programs must work together and with poverty alleviation program to lift all incomes up to the CFLIM-AT thresholds calculated with taxfiler data. To the detriment of many, the current patchwork of income security programs in this country are failing individuals, families, and children.

Government transfers can reduce poverty

Without any government transfers, the child poverty rate would have been 33% for children under eighteen, and 35.7% for children under six. The Canada Child Benefit (CCB) alone reduced the child poverty rate by 9.3 percentage points for children under eighteen and by 9.7 percentage points for children under six (chart 11). Significant reductions to the rate of child poverty as a result of receiving government transfers and the CCB were found in every jurisdiction across the country (chart 12).

Despite the positive impacts of these transfers, 17.7% of children still lived in poverty in 2019. This ongoing poverty is a source of frustration given that we have a mechanism to direct transfers towards families with children.
Chart 11: Percentage-Point Increase to Child Poverty Rates without Canadian Child Benefit (CCB) and all Government Transfers, Under 18

Source: Statistics Canada Custom Tabulation, Number and proportion of children under 18 years in families where the adjusted after-tax income of family is below the amount of the T1FF CFLIM-AT threshold, Canada, Provinces and Territories, 2019

Chart 12: Percentage of Children in Families with Adjusted Income Below the After-Tax LIM (Canada, 2019)

Source: Statistics Canada Custom Tabulation, Number and proportion of children under 18 years in families where the adjusted after-tax income of family is below the amount of the T1FF CFLIM-AT threshold, Canada, Provinces and Territories, 2019.

Note: Provincial, territorial and municipal transfers are included within all transfers.
Government transfers must be accessible.

Children of parents with precarious immigration status are not eligible for the CCB, despite being considered residents for income tax purposes and paying into the tax system. The Chinese and Southeast Asian Legal Clinic of Ontario has launched a charter challenge to repeal section 122.6(e) of the Income Tax Act that ties eligibility to immigration status.

Children living in kinship care, customary care and informal foster care face barriers to proving they meet eligibility requirements including limitations on who can attest to residency and access to the required documentation.

Barriers are also inherent in the Canada Workers Benefit. Designed as so-called work incentive, it is restricted to those with earned income of at least $3000, and the maximum payout is $1,400/year for individuals, $2,400/year for couples. Despite significant investments into the CWB in Budget 2021, these amounts do little to close the gap on poverty.

Social assistance rates are legislated poverty

Social assistance and disability assistance are last resort financial programs. While mandated by provincial and territorial legislation and regulation, social assistance programs are funded in part through the federal government’s Canada Social Transfer (CST).

Social assistance policies in every jurisdiction include a complex set of rules, where earned income and assets limit the receipt of full benefits, creating a barrier to employment and financial independence. The combination of exceedingly low benefit rates and high claw back rates on earned income keep people in poverty.

A new federal disability benefit

Twenty-two percent of Canadians identified as having a disability in 2017. Nearly one-third of working-aged people with disabilities lived in poverty (as measured by the MBM), and individuals in poverty 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 as compared to youth without a disability. Twenty-six percent of people with disabilities faced unmet needs prior to the pandemic due to prohibitive costs of required aids, assistive devices, or prescription medication.

Unfortunately, income supports for people with disabilities are failing. The non-refundable disability tax credit is an underutilized, regressive, gendered, and racialized program that does not benefit anyone with incomes too low to pay taxes. The current patchwork of disability credits
leaves many falling through the cracks and languishing on insufficient provincial and territorial income support programs.

Promises for a new federally funded disability benefit for working-age adults are a welcome commitment for which the disability community has advocated for many years. This new benefit must be broad and reach people with disabilities living on low incomes, be refundable so as to protect it from being clawed back by social assistance programs and allow people to keep earned income.

The model proposed by the Alternative Federal Budget 2022 would see savings at the provincial level by expanding a new Canada Disability Benefit to social assistance recipients with disabilities. The provinces would save approximately $1.5 billion, which would then be re-invested into social assistance programs through coordinated agreements. This benefit must be fast-tracked and include people with disabilities in an active, genuine, and meaningful way in every step of the process.

Income benefit reform for people with disabilities will not be complete without the inclusion of children. Campaign 2000 recommends that the federal government develop a comprehensive, broad, and adequate benefit program for children with disabilities.

The CERB Amnesty movement

Pandemic income benefits provided by the federal government were intended to support individuals and families during the economic shutdowns. Many were provided as one-time tax-free top-ups to those eligible for existing programs, such as the Guaranteed Income Supplement (GIS), Old Age Security (OAS), or the Disability Tax Credit. These benefits were also provided to all families with children eligible for the Canada Child Benefit (CCB), with an additional top-up to families with children under six in 2021.

The largest program for individuals was the Canadian Emergency Response Benefit (CERB), which was in effect from April to October 2020 prior to the implementation of the Canada Recovery Benefit (CRB). Despite dangerously high COVID-19 rates continuing in jurisdictions across the country, the CRB ended on October 23, 2021. CERB/CRB benefits were intended to support people who lost work because of the economic shutdown. Unlike the top-ups, the CERB/CRB payments were considered taxable income, and therefore subject to claw back from provincial and territorial income assistance programs, rent subsidy programs, and the federal GIS – all intended to support the lowest income earners.

While the federal government rolled the CERB out quickly, lessons learned from its implementation were not applied to the
CRB. In addition to treating it as taxable income, many individuals were excluded by a steep eligibility ‘cliff’ – earn $5000 or above in the preceding 12 months and the full $2000 was paid out, but earn $4999 or less and be rendered ineligible.

Confusion for some around changing explanations of eligibility requirements and desperation for others due to being left out of any pandemic benefit program resulted in individuals who were not deemed eligible receiving the benefit. The Canada Revenue Agency is seeking repayments from these lowest income recipients, who do not have access to savings, capital, or credit to make payments, no matter how minimal they may seem.

Claw backs to income assistance programs and rent subsidy programs occurred almost instantly since adjustments to benefits are made monthly. Reductions to the GIS; however, came after income taxes were filed, triggering benefit amount recalculations. Nearly 90,000 of the lowest income seniors have had their GIS reduced or completely clawed back as a result of accessing the CERB/CRB. The $5,000 earnings exemption for GIS was not applied in this case even though the CERB was replacing earned income\(^\text{42}\). The results have been extreme hardship for low-income seniors, which could have been mitigated by treating the CERB/CRB as a refundable tax credit for low-income earners.\(^\text{43}\)

The Parliamentary Budget Officer has costed this at $380 million in 2021/22, and $58 million in 2022/23, a tiny fraction of overall federal spending on pandemic benefits but with a deep impact on those affected.\(^\text{44}\)

There are no plans to re-instate the CRB, leaving workers in need without supports despite calls from advocates including Campaign 2000, Justice for Workers, and more. Claw backs and rent increases, however, will not clear until January 2023, and the CRA may continue to seek CERB/CRA repayments beyond that, meaning that acute hardship will continue to be a feature in current federal recovery plans.

Campaign 2000 has been calling for an immediate CERB repayment amnesty, meaning that all clawed back funds be returned to low-income people, immediate cessation of all current and future claw backs (GIS primarily and rent increases in subsidized housing) and halting the pursuit of low-income tax filers found ineligible for benefits.

Making the distribution system accessible

Benefits are transferred through the personal income tax system. Research shows that 10-12% of working-age people in Canada did not file their personal income tax in 2016, resulting in $1.7 billion unclaimed benefits, of which $1.2 billion
was unclaimed federal and provincial child benefits.\textsuperscript{45}

Efforts to broaden that system, including automatic tax filing, will help increase access to benefits for anyone who has filed taxes in the past. Enhanced investments into tax clinics that assist communities less likely to file, such as the programs in First Nations communities, those running out of neighbourhood centres, and those targeted to women fleeing violence, help to broaden the system and reduce poverty.

People who are marginalized are less likely to file their taxes. Barriers can include a lack of identification, a social insurance number, immigration or citizenship status, a CRA account, or a fixed address.

Jurisdictions around the world have developed various forms of digital and cash transfer systems, which have experienced success reaching remote, low-income, and unbanked populations. Examples include Bolsa Familia in Brazil and Stockton Economic Empowerment Development in California. These initiatives developed requirements for registration, eligibility assessment and protection of data. Some systems have used mobile wallets connected to individual cell phones and others have used reloadable prepaid credit cards or debit cards to get money directly to individuals in need. Some delivery systems are managed through corporations, while others involve government bodies or charities. The federal government must resource the research and development of a Canada-wide parallel benefit distribution system that would reach those outside the tax system.

**Income redistribution is a necessary poverty alleviation mechanism**

Progressive tax policy and increased government transfers are ways that the federal government can address inequality, an urgent priority, given the impact of the pandemic on low-income, marginalized, and racialized populations. Tax policies in Canada currently tend to favour higher-income earners, predominantly men, as evident in the relatively lower effective tax rate for high-income earners and in a variety of tax expenditure programs.\textsuperscript{46}

Reforming the tax system is key to tackling wealth inequality and poverty while increasing revenue to meet the needs of underserved people, a critical requirement of any effective pandemic recovery plan. When all taxes are considered under the current system, the poorest 10% of tax filers are burdened with a higher overall tax rate than the top 1%.\textsuperscript{47} Introducing 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.\textsuperscript{48} At the same
time, a 45% inheritance tax — falling between the US rate of 40% and Japan’s 55% — would generate an additional $2 billion annually.49

The capital gains inclusion rate is one of the tax policies that drives inequality and is an inefficient way of taxing high-wealth individuals. In 2019, one-third of tax filers with incomes from $150,000 to $250,000 reported capital gains, as did one-half of tax filers with incomes above $250,000.50 Currently, only 50% of capital gains are included as taxable income, and many gains are entirely exempt. As a result, the preferential tax rates on capital gains and investments lower federal revenues by nearly $22 billion annually.51 In addition, closing tax havens could generate at least $10 billion annually.52

Recommendations

- Increase the base amount of the CCB so that it, in combination with other benefits, work together to reduce child poverty by 50% by 2025 according to the CFLIM-AT 60.

- 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. Settle current litigation in the federal Tax Court that is appealing the requirement for a certain pre-requisite level of immigration status for access to the CCB. Amend legislation to extend CCB benefits to all children in Canada regardless of 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.

- Set the qualifying threshold on employment income for the Canada Workers benefit to $0, untying the benefit from employment and substantially increasing benefit amounts.53

- Invest $4 billion into the Canada Social Transfer to support social assistance adequacy 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. These minimum standards must include binding conditions stipulating that income supplements – including the CCB, Child Disability Benefit, child support payments, and child-related Employment Insurance benefits – are not deducted from social assistance.

- Fast-track the implementation of the new federal disability benefit, using research and data already available, and including people with disabilities in meaningful and active ways through every step of the process. Ensure that: the benefit reaches those with low incomes with expanded criteria; is refundable; and allows workers to keep earned income.
- Immediately begin work to review and implement a similar federal disability benefit for children with disabilities.
- Immediately implement a CERB Repayment Amnesty for everyone living below or near the low income measure (after tax).
- Immediately cease treating CERB and recovery benefits as taxable income for individuals with incomes below the low income measure.
- Refund all clawed back benefit amounts, ensuring that there are no future pandemic benefit related claw backs to income security programs, including provincial income assistance, rent subsidies, and federal benefits.
- Immediately cease pursuing repayments for the CERB and ensure no repayment is sought for the CRB.
- Immediately reinstate the CRB at the full amount of $500 weekly until Employment Insurance is reformed, and provides income supports to precarious workers.
- Research and develop a parallel community-based benefit eligibility and delivery system for low-income, marginalized non-tax filers. 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.
• 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.

In Canada, 13% of individuals surveyed in the 2018 Point-in-Time homelessness counts were dependents or unaccompanied youth. Fifty percent of individuals surveyed reported that their first experience of homelessness occurred before the age of 25. In April 2020, 46% of renting households reported having less than one month’s income in savings, and half a million homeowners reported struggling with their mortgage payments.

**Housing is fundamental to health and wellness**

The COVID-19 pandemic highlighted ways in which lack of access to adequate housing disrupts personal and public health objectives. During the pandemic, families in overcrowded homes reported higher COVID-19 mortality rates due to having more points of contact to contract the virus – especially part-time workers in multiple jobs – and had less capacity to self-isolate within their homes. In Toronto, during the first wave of the pandemic and prior to the availability of vaccines, 21% of COVID-19 cases were made up of Black patients despite only accounting for 9% of the city’s population. Similarly, death rates in large financialized for-profit Long Term Care (LTC) facilities were seven times higher than in publicly owned LTC homes. In addition, an unhoused individual was 20 times more likely to be hospitalized with COVID-19 and five times more likely to die within 21 days of infection.

The right to housing is about more than a roof over your head—it’s about dignity. It’s about the well-being of the person. It’s the core right and principle that our housing and homelessness laws, policies, and programs should be built upon.

Women-led sole-parent households, First Nations, Inuit, Métis, racialized, and immigrant families are disproportionately affected by housing need and inadequate or unsafe housing. People living with disabilities are overrepresented among individuals living in core housing need. A recent victory for disability housing advocates came from a ground-breaking decision at the Nova Scotia Court of Appeals which ruled that it is discriminatory to keep people with disabilities institutionalized or on long wait lists to access the required supports.
Increasing housing stock, without taking into consideration which kind of housing is needed, is driven by the financialization of housing. Entrenching a rights-based approach to housing involves shifting from the belief that housing is a commodity and a means by which a person can make profits, to the belief that housing is a fundamental human right.

Gender-based violence is a driver of housing need and homelessness

Individuals experiencing domestic and gender-based violence are not included in the definition of chronic homelessness and instead referred to as the “hidden homeless.” Women and gender-diverse people who are experiencing domestic and/or gender-based violence might continue to live in unsafe situations or ‘couch-surf’ to avoid homelessness and child apprehension, and therefore are likely to be underrepresented in the counts of people experiencing homelessness and housing stress. Stay-at-home orders during the pandemic amplified those realities. Victim service centers surveyed reported a 54% increase in the number people served during the pandemic. The risk was exacerbated for First Nations women as 70% of northern reserves have no safe houses or emergency shelters for women escaping violence. The prevalence of intimate partner violence in Canada is likely underreported, but data from the Canadian Femicide Observatory for Justice and Accountability states that each week a woman is killed by her male partner.

Eviction is a violation of the right to housing

A driving force in the increasing housing insecurity is the eviction and arrears crisis related to the economic fallout as a result of the pandemic. Since the onset of the pandemic, 250,000 households in Canada have accumulated over $350 million in rent arrears.

The COVID-19 pandemic disrupted employment for many, especially women and racialized workers. In order to prevent evictions from occurring, governments have a responsibility to ensure that there is a sufficient supply of affordable and social housing, as well as financial assistance to pay arrears being made available to tenants.

At the onset of the pandemic, many provinces introduced eviction bans and rent freezes, however, most of those policies have since ended. Programs such as the Canada Emergency Commercial Rent Assistance (CECRA) program and its replacement, the Canada Emergency Rent Subsidy (CERS), have been great for small businesses and landlords and have included clauses that called for eviction moratoriums. Research has determined
that eviction bans have reduced the spread of COVID-19 in communities. As new variants emerge, it is crucial to reinstate evictions bans and rent freezes in every province.

**Focusing the National Housing Strategy on homelessness and housing need**

The National Housing Strategy (NHS) has a target of reducing housing need by 530,000 individuals by 2027. Despite this target, it is predicted that housing need will worsen over the course of this period if its focus does not shift to target low-income households.75 A number of programs are targeted at higher-income households, such as the Rental Housing Finance Initiative.76 In the first three years of the NHS, funding for programs targeted at low-income households has increased in nominal terms, but decreased by 15% in real purchasing power.77 The NHS will be up for review in 2022 and as it stands, the federal government is not on track to meet its already too low targets.

**Recommendations**

- Take 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.78

- Define affordable housing as housing that costs no more than 30% of household income for those in housing need, across all federal housing programs. Use this shared definition of affordable housing to track and monitor progress in the National Housing Strategy.

- Invest $214 million to implement a new Residential Tenant Support Benefit (RTSB) as modelled by the 2022 Alternative Federal Budget Recovery Plan.79 The RTSB will offer retroactive rental assistance to help qualifying tenants pay off arrears accumulated during the pandemic to mitigate evictions.

- Prioritize the appointment of a strong, well led, and well-resourced Federal Housing Advocate and bolster the capacity of the National Housing Council. Ensure accountability.
mechanisms enshrined in the NHS Act are independent and fully resourced with stable and consistent funding.

• Invest into new social housing supply and the repair, renewal and retrofit of the existing social housing stock with the goal to eliminate core housing need. Ensure supportive housing supply is allocated for people with mental, physical, developmental and addictions health concerns.

• Ensure that at minimum, 33% of all housing investments reach households led by diverse women and gender diverse people as per GBA+ commitments under the National Housing Strategy.

Canada’s emerging universal childcare system must include low-income families

The 2021 federal budget provided Canada’s most significant financial and policy commitment to early learning and childcare to date. Committing almost $34 billion over the next five years, with an ongoing federal commitment of an annual $9.2 billion minimum, it promises to build a “Canada-wide, community-based system of quality childcare.” Significantly, it includes policy commitments to affordability, accessibility, quality, and the childcare workforce - all evidence-based elements of a quality childcare system.

Chart 13: Federal Financial Commitments to Early Learning and Child Care, 2018/19 – 2015/26

Source: Department of Finance. A recovery plan for jobs, growth, and resilience: Budget 2021, pg. 102.
There currently is a unique opportunity to create a just, equitable childcare system based on public operational funding of services; low or no fees for parents; decent wages and working conditions for educators; public management of the creation and supply of quality services; expansion of services in the public and non-profit sector; and dedicated resources for an Indigenous early learning and childcare system developed in cooperation with First Nations, Inuit, and Métis Peoples. The pandemic presents a chance to ensure that all families, no matter where they live and whether low-income, newcomers, precarious or non-standard hours workers, or having a child with a disability, will be able to access affordable, high quality, inclusive services that are appropriate and enriching for their children.

Even before the pandemic, parents struggled to find childcare while childcare providers struggled to attract and provide decent wages for low-paid early childhood educators and keep parent fees manageable. The lack of affordable, available, high-quality childcare has been a gaping hole in our social and economic infrastructure, which has prevented many parents—especially women—from finding and keeping full-time, paid employment, training, or education.

Low-income parents—especially single mothers—have been especially disadvantaged in Canada’s underfunded, market-based childcare model. As the economy recovers, the lack of childcare hinders efforts to close the gender employment and gender-wage gap, especially for low-income women. Prior to the pandemic, mothers with a child between the ages of 3 and 5 had a 78% employment rate, compared to the 85% employment rate for mothers with children aged 6 to 15.  

**Low-income parents have faced a complex, daunting situation across Canada**

*There is not enough childcare to meet demand*

Canada’s supply of childcare has largely relied on the initiative of market actors—individuals, community groups and/or commercial entities—that often fail to respond to the needs of low-income or hard-to-serve communities and are often "childcare deserts."  

*Childcare is unaffordable for low-income families*

Canada’s childcare services are largely supported by parent user fees, supplemented with individual parent fee subsidies (outside Quebec). The fee subsidy systems fail to ensure affordability for the low-income families at whom they are aimed. Individual fee subsidy systems are based on antiquated ideas that
"eligibility" for ELCC subsidy is a prize for which a deserving few who "pass" narrow social and financial criteria may qualify.

**Canadian childcare is not reliably high quality, and the childcare workforce is undervalued**

To create the high-quality childcare shown to benefit children, especially those who are low income or whose families lack adequate resources, Canada needs more and better spent public funding and well-designed public policy to ensure a valued, professional childcare workforce with decent salaries and benefits.

The bilateral federal / provincial / territorial / Indigenous agreements aimed at building universal childcare are the first step to ELCC systems across Canada designed to ensure that the childcare needs of low-income families are front and centre within equitable, universal provisions. Implementation of the agreements, based on the best available evidence, will be necessary to ensure that Canadian ELCC is well built.

**Recommendations**

- Work with provinces/territories to implement operational funding of childcare programs based on set (daily) fees on a sliding ability-to-pay scale, from $0 to a maximum of $10, replacing full user fees and individual parent fee subsidies.

- Work with provincial/territorial partners to ensure that operational funding of childcare services factor in decent, fair compensation for staff, in addition to affordable parent fees and other operational costs. Provincial/territorial wage grids, as well as provincially/territorially set parent fees, are essential pieces of funding policy.

- Ensure availability of sufficient capital funding to make sure that public and non-profit expansion and increased access to fully include children with disabilities are possible.

- Ensure that public planning and management bodies assume responsibility for creating and maintaining non-profit and public childcare services. Services must be equitably located and include low-income and high-needs communities and rural and less densely populated communities.

- Ensure public accountability for ELCC through publicly available plans, targets and benchmarks for quality, affordability, inclusion, and accessibility, supported by quality data and research.

- Establish citizen engagement processes based on democratic participation which is meaningful and
valued. These processes, including parent advisory groups, at all levels of government need to advise and inform the implementation of a quality ELCC system. A broad range of citizens who care about childcare must be involved, including children and low-income parents, educators, employers, advocates, researchers and academics.

- Honour and fund the Indigenous Early Learning and Child Care Framework.

### Transitioning to adulthood requires unique supports

As youth transition from adolescence to early adulthood, they require multiple supports, which vary depending on their circumstances. Youth transitioning out of the child protection system require specific supports as they are more likely to lose their existing support network.

The transition to adulthood has been further complicated in recent years by the unprecedented disruptions to young peoples’ education and employment caused by the COVID-19 pandemic. Youth who become disconnected from school or work during this transition are shown to be at significant risk for adverse health and social outcomes in the future and are far more likely to experience poverty. Pandemic mitigation has caused gaps in young peoples’ education and employment that will echo decades into the future. Early research shows students in grades 1 through 12 will have lost up to 3% of their lifetime earnings due to the pandemic. Students are estimated to be on average 2 months behind the curriculum in reading and math. These challenges are inequitably distributed among youth and will serve to exacerbate pre-existing inequalities.

While there is no parallel to the COVID pandemic, UNICEF research on the 2008-09 “Great Recession” shows that the effects on child and youth well-being lingered for many years after. Youth employment in particular is shown to recover significantly slower than among other demographics. All of this forms a ‘long tail’ to the current crisis, that will require specific strategies and supports into the future.

### Post-secondary education is becoming increasingly inaccessible

The increasing inaccessibility of post-secondary education is particularly acute for marginalized groups, including First Nations, Inuit, Métis, Black and racialized students, students with disabilities, and students from low-income families. As of the 2021/2022 academic year, the average tuition cost for domestic undergraduate
and graduate students was $6,693 and $7,474, respectively. For international students, the average tuition paid by undergraduate students was $33,623 and $20,120 for graduate students.88

Despite the growing number of low-income students enrolling in universities over the past 30 years, evidence shows that the post-secondary system is more accessible to high-income students.89 National averages tend to obscure provincial trends. The enrolment equity gap has fallen in provinces, such as Quebec, where tuition rates have been frozen, and risen in provinces, such as Ontario and Nova Scotia, where tuition has increased.90

Debt aversion is an important barrier to post-secondary education for students who cannot afford to pay their tuition upfront and who may not have social or financial supports from family or others.91 Rising tuition costs and reliance on loans as the primary tool for student financing have led to increasing student debt. Low-income students are more likely to receive loans to access post-secondary education, and due to interest charges, subsequently pay a higher overall tuition than higher-income students.92

Youth in the child protection system need an equitable and just pandemic recovery

Most young people in Canada will navigate the pandemic recovery with the help of their families. Youth who are in the child protection system, however, face particular challenges. Many youth in care are forced to ‘age out’ of the system at age of majority due to legislated age cut-offs, leaving them with little-to-no supports to deal with this abrupt and complicated transition process93. In a 2017 B.C. estimate, the Tyee found that only one-third of youth exiting care accessed some form of extended government supports.94

While most jurisdictions95 offer various post-majority supports and services96 (except Quebec), they are not obliged to do so by law and thus are not guaranteed to all youth who exit care. These post-care supports are also mostly focused on post-secondary education and training or

The timeline for the provision of these post-care supports should be based on a young person’s sense of readiness for the transition to adulthood rather than age, as extending the ‘aging out’ process simply creates a later sudden cut-off date and does not guarantee that young people will leave care fully supported for success.
employment and are accompanied by restrictive eligibility criteria; this results in the majority of youth not accessing the transition supports they need. To date, the federal government offers no guaranteed post-care payments or services to on-reserve First Nations youth in care. In addition, Jordan’s Principle benefits expire at the age of majority (18 or 19), leaving high-needs First Nations youth without essential services.

These inequities cause harm to youth exiting care, and propel them into poverty, homelessness, undereducation, underemployment, increased involvement with the criminal justice system, ongoing mental health issues, and substance misuse. First Nations, Inuit and Métis youth, Black and racialized youth, youth with disabilities, and 2SLGBTQQIA+ youth ‘aging out’ of care are at an even higher risk of experiencing these negative outcomes, which are systemically produced. While many jurisdictions have issued temporary moratoriums or interim emergency measures for youth ‘aging out’ of care during the COVID-19 pandemic, these measures are temporary and will not be helpful long-term.

The National Council of Youth in Care Advocates has released the *Equitable Standards for Transitions to Adulthood for Youth in Care* report, with the accompanying Policy Brief, outlining key actions that need to be implemented by federal, provincial and territorial governments in supporting more equitable transitions for youth in care across the country. Canada has no nationally legislated entitlements for youth exiting care. National legislation and/or standards exist in many other parts of the world where child protection is administered regionally, in which entitlements for youth in care, including the option to stay in placement, are framed as rights without any exclusions or admissions processes. National standards guarantee coherence, continuity, and consistent access to specialized services as well as economic resources. Such standards also eliminate inequities based on place and promote optimal transitions to adulthood for youth in care everywhere. The socio-economic upheaval associated with the pandemic are exacerbating the already precarious situation of youth in and
from care, for which solutions exist and have been known for decades.  

**Recommendations**

- Create universal access to postsecondary education by eliminating tuition fees and increase the maximum amount of support given to low-income recipients of the Canada Student Grant.

- Amend the Repayment Assistance Plan (RAP) to allow students to postpone the first payment of a student loan until they are earning at least $40,000 per year.

- Eliminate interest paid on the federal portion of student loans.  

- 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.

- Endorse and adopt the Equitable Standards for Transitions to Adulthood for Youth in Care in every jurisdiction.

- Make the Equitable Standards the basis of financial incentives for provincial and territorial jurisdictions to offer extended care and transitional resources that meet the standards.

**All work should be decent work**

The economic fallout from the COVID-19 pandemic hit vulnerable workers hard. Women, First Nations, Inuit and Métis Peoples, immigrants, migrant workers, racialized workers, people with disabilities and youth whose work is characterized by low-wages and precarity have been disproportionately impacted. A large share of lost work during the pandemic was in industries traditionally dominated by women, such as hospitality, non-essential retail, travel, and childcare.  

Women in jurisdictions with less access to childcare were particularly hard hit and will continue to be even as businesses reopen.  

Aggregated labour market statistics show return to pre-pandemic employment levels, but are misleading in that they conceal precariousness and inequality present within the labour market. The September 2021 Labour Force Survey reported that employment had returned to pre-pandemic levels. While that gain was driven by full-time work for those aged 25-54, women were still more likely to be employed part-time.  

Employment
among students between the ages of 20 and 24 returned to pre-pandemic levels (51.2%) but employment for non-student youth (79.7%) continued to lag in comparison to previous years. For most racialized and Indigenous groups, the unemployment rate was also steadily declining (7.8%), although remained higher than that of non-Indigenous non-racialized people (5.6%).

**Care work should not be precarious work**

Women, many whom are im/migrant and racialized, are disproportionately overrepresented as workers in the care economy, which includes health care, childcare, and education industries; it accounts for 21.1% of all jobs and generates at least 12% GDP. Care work also includes unpaid housework and child care, which women have taken on to much greater degrees during the pandemic.

The pandemic has exposed how crucial care work is, and how the social infrastructure accompanying it underpins our society. But the pandemic also revealed the precarious nature of these sectors. For example, live-in care workers, the vast majority who are racialized migrant women, lost their homes when they lost their jobs, and health care workers accounted for nearly 20% of all COVID-19 infections. Creating a pandemic recovery plan that incorporates care work and is based on the principles outline in The Care Economy Statement will ensure better resiliency and more connected communities.

**Immigration status should not determine access to workers’ rights**

Migrants, refugees, and undocumented people are disproportionately represented among precarious workers due to unjust immigration, labour, food policy, and other laws that limit the protections that are made available to them. Over the pandemic, the dangerous work and living conditions that migrant workers in warehouses, farms, and meat processing facilities have surfaced. These conditions include their overcrowded working conditions and accommodations, lack of personal protective equipment, and pressure from employers to keep working when sick, all of which were compounded by lack of access to paid sick leave and resistance to testing for COVID-19.

In addition to dealing with employment pressures, migrant workers experience huge amounts of stress concerning their work permits, residency status, and familial separation. These added pressures, combined with the fear or deportation, limited access to information, language barriers, labour protections, and health care, cumulate in the deterioration of their physical and mental health, as well as constitutes a violation of their rights. In order to address these inequalities, migrant workers must be provided full immigration status upon arrival for work in

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Canada so they have access to labour protections, health coverage, and income supports.\textsuperscript{116}

**Wages must lift workers out of poverty**

In Budget 2021, the federal government announced it would establish a federal minimum of $15 per hour, rising with inflation. Labour groups have been instrumental in making this change happen, however, since the beginning of this campaign the cost of living has risen. The federal $15 minimum wage set to come into effect at the end of December 2021 is no longer sufficient to support a person working full time. Workers require a legislated wage that allows them to thrive, without exemptions for students, liquor servers, farmworkers, and others.\textsuperscript{117} In addition, employers must provide a guaranteed minimum number of hours to reduce the number of workers who need to work multiple part-time jobs to meet their basic needs.

**Employment Insurance is an important poverty reduction tool**

Prior to the pandemic, only 40\% of unemployed individuals were eligible for EI benefits.\textsuperscript{118} The benefit rate is at the lowest it’s been since the introduction of the program 80 years ago, at 55\% of wages.\textsuperscript{119} EI plays various roles, including large-scale stabilization at times of labour market or economic upheaval. But it also plays a critical role in the lives of individuals and families. Lessons from CERB and the CRB can be drawn on to reform EI in order for EI to function better as a poverty reduction tool. Reforms include making the $500 weekly benefit floor introduced during the COVID-19 pandemic permanent and increasing the benefit rate to 70\% of wages.\textsuperscript{120}

Reforms are needed to increase access for more workers. Qualifying requirement should be lowered to 360 hours or 12 weeks, punitive disqualification rules need to be eliminated, and EI should be made accessible to all migrant workers and misclassified contract workers.\textsuperscript{121}

**Recommendations**

- Introduce a pan-Canadian workforce development strategy for the Care Economy. These jobs need to be rebuilt from the bottom up with a focus on the most vulnerable workers. In Long Term Care, this strategy would include a new floor of enforceable minimum labour standards, better pay and working conditions, more full-time positions, and skills development support.

- Significantly bolster youth employment programs and apprenticeship opportunities.
● Ensure wages are adequate, and at minimum bring employment incomes up to the CFLIM-AT. Equal pay and benefits for all workers, regardless of employment status, gender, racialization, and immigration status must also be legislated.

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

● Reform Employment Insurance with measures including: expanding access for premium payers currently excluded; extending access to new enrollees; reduce qualifying hours to 360 hours or 12 weeks Canada-wide; boost the 55% benefit rate; permanently introduce a minimum weekly benefit; and eliminate the discriminatory 33% benefit rate for extended parental benefits.

● 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.

Physical Health is the culmination of social determinants of health

The impacts of poverty on health begin before birth. Inadequate nutrition, extreme stress, and lack of access to healthcare associated with poverty during pregnancy are contributing factors to lower birth weights, nutrient deficiencies, weaker immune systems, and other life-long consequences. Each of the sections in this report is a social determinant of health, and therefore the outcomes they predict are eventually absorbed into the health care system.

In May 2020, the International Labour Organization raised concerns that stress, anxiety, loneliness and isolation from the pandemic could create a “lockdown generation” if the needs of youth were not taken into consideration. A Statistics Canada survey on COVID-19 and Mental Health found that 13% of Canadians screened positive for generalized anxiety disorder, 15% screened positive for major depressive disorder, and 6% of Canadians screened positive for posttraumatic stress disorder. A higher proportion of women and individuals between the ages of 18 and 34 screened positive. Respondents reporting Indigenous identity saw a decrease in income due to the COVID-19
pandemic, and frontline workers all screen positive at higher rates.\textsuperscript{125}

On October 26th, 2021, the first-ever Minister of Mental Health and Addictions was appointed to the Canadian Cabinet.\textsuperscript{126} While the recognition of the priority and the magnitude of the public health emergency is welcomed progress, significant investment and policy-making authority is needed to ensure that immediate action is taken.

**Poverty worsens mental health outcomes**

The experience of living in poverty is one that is stressful and oftentimes uncertain. Depression and anxiety are frequently associated with negative income shocks and environmental stressors such as pollution and inadequate housing conditions. Worse physical, health and socio-economic outcomes, such as chronic conditions and greater exposure to trauma also impact a person’s mental health. Mental illness can then reinforce the likelihood of living in poverty if a person is unable to work or cannot maintain stable housing. Over the pandemic, individuals with past or current mental health conditions reported greater increases in substance use.

Many of the existing supports are under-funded, under-resourced, and focus on individual-level intervention such as symptom reduction or maintenance.\textsuperscript{127} Furthermore, many services are not covered by healthcare and therefore are out of reach for those who need them. In-patient programs that offer rehabilitation services for people with addictions or eating disorders can have long waitlists and be extremely costly. Intensive mental health care services such as psychiatric services rarely center a person’s autonomy in the care plan and can be traumatizing for the person receiving care.

The shortcomings of the current available mental health care are not borne equally. In areas with a high proportion of First Nations Peoples and Inuit Nunangat, suicide is one the leading causes of death among children and youth.\textsuperscript{128} The high suicide rates are a result of poverty, intergenerational trauma, and historic and ongoing effects of colonization.

In addition to including therapeutic and addiction services under comprehensive, universal health care coverage, the recommendations previously laid out in this report are crucial to improving community mental health. Access to housing and eviction bans, increased financial security, food security, and stable immigration status, decent work, and addressing inequality are all effectively preventative mental health care. Income inequality and lower family incomes are linked to psychosomatic stress symptoms. Thirty-two percent of low income children

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experience two or more symptoms psychological distress per week.129

Pharmacare is part of healthcare

A national survey by the Angus Reid Institute found that during the COVID-19 pandemic 1 in 20 households lost prescription drug coverage.130 As a result of inadequate drug coverage, 20% of households paid over $500 in out-of-pocket healthcare expenses for prescriptions.131 For many, prescription drug coverage is accessed through extended health benefits and therefore mostly accessible to individuals with decent, full-time jobs in large organizations, creating gender and racial divides in access to drug coverage. Lower-income households, women, immigrants, and racialized individuals are all less likely to have insurance for prescription drugs.132

A study found that providing free prescriptions to patients who previously reported not taking medicine due to cost increased medical adherence and reduced total healthcare costs.133 Universal pharma care, dental care, and eye care reduce out-of-pocket health care expenses, which can often make the cost of accessing care prohibitive for low-income groups. A comprehensive, universal, public system would ensure that health care is delivered on a needs-based model, rather than rely on individuals’ ability to pay.134 Inability to access preventative and comprehensive care increases the burden on the healthcare system due to emergency visits and more acute health problems. Mandating paid sick days through the Canadian Labour Code is another way to reduce strain on the health care system in addition to recognizing the right to safe work.135

Recommendations

- Expand funding for community-based mental health and wellness programs accessible to youth, with funding reserved to provide culturally responsible supports for First Nations, Inuit and Métis Peoples, Black, racialized, 2SLGBTQI+, and marginalized youth.136
- Create specialty-based single-entry referral programs to connect patients with health care providers in their region on a basis of priority.137
- Expand primary-care teams beyond family doctors and nurses to include pharmacists, social workers, psychologists, dieticians, and other health care professionals.138
- Permanently amend the Canada Labour Code to ensure workers have access to ten permanent paid sick days with an additional fourteen days available during public health emergencies.
• 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 physical rehabilitation services.
Major Takeaways

Poverty is not inevitable; it is a social construct that maintains inequities along different social, cultural, and economic locations.

Poverty does not simply mean low income. Poverty is a condition that encompasses material deprivation, inhospitable environments, as well as a lack of social supports and opportunities.

Given the far-reaching consequences of poverty, current policy approaches are failing to end child poverty. Policies and budget investments focusing on affordability and aimed at the middle class have left 1.3 million children in poverty. Furthermore, without addressing systemic racism, poverty cannot be addressed in a meaningful manner.

The absence of targeted supports fails to address the diversity of needs, and leaves First Nations, Inuit, and Métis Peoples, Black and racialized individuals, and individuals with other marginalizing identities behind. The overlapping consequences of inadequate childcare, housing, comprehensive healthcare, financial stress, precarious work, and growing income disparities undermine public health.

Policies and budget investments must not be designed in silos, but rather recognize and identify systemic barriers, and commit resources to remove them. Policymaking that embodies trauma-informed principles is needed to keep leaders accountable to the communities they serve and are more likely to achieve the desired outcomes.

It is imperative not to return to the status quo. Many will continue to feel the pressures of the pandemic, either financially or in relation to their mental health, long after the pandemic itself has ended. Systemic change is necessary.

The 44th Canadian Parliament has a responsibility to ensure that no one is left behind from the COVID-19 recovery plan.

Over the course of the pandemic, many relied on loved ones for social and emotional support, and more broadly, on their community to access mental health support and meet their basic needs. Building on the foundation of community care and mutual aid that were established throughout the pandemic, following the precedent set by emergency benefits and given the wealth of this country, it is not unreasonable to demand that individuals, children, and families should no longer have to live in poverty.
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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.
Endnotes

7 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.
8 A percentage point change reflects the absolute difference between two time periods, but a percent change is a relative indicator. It reflects the rate of change and is calculated with the following formula:
   \[ \text{relative change} = \frac{\text{final value} - \text{initial value}}{\text{initial value}} \times 100. \]
17 Ibid.
19 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.


24 Ibid.


28 To take full advantage of the opportunities offered by the modern Internet, 50/10 speeds are necessary, affording the capacity to download at 50 Mbps and to upload at 10 Mbps.


32 Truth and Reconciliation Commission of Canada: Calls to Action (2015)

http://trc.ca/assets/pdf/Calls_to_Action_English2.pdf


36 No One Left Behind: Strategies for an Inclusive Recovery

37 Ibid.


39 Ibid.


49 Ibid.


51 Ibid.

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59 Ibid.


63 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.


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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](https://migrantrights.ca/status-for-all)


125 Ibid.


131 Ibid.

132 Ibid.


138 Ibid.