Manitoba: Missed Opportunities

Manitoba Child and Family Poverty – December 2021
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Introduction

More than 30 years ago, Canadian Members of Parliament voted to end child poverty by the year 2000. At the time, NDP leader Ed Broadbent, reflecting on the horrendous rates of child death and disease among children living in poverty argued that “we must show that for us, human dignity is to be cherished as much in life’s first pages as it is in its concluding chapters” [1]. All political parties present on that day agreed. The deadline they set has long since passed but child poverty remains at atrocious levels in every part of the country. This year’s Manitoba report shows that once again our provincial government has failed our most vulnerable Manitobans. We are once again the province with the highest rate of child poverty in Canada.

The most recent data from 2019 finds that child poverty remains at 28.4% in Manitoba. This amounts to another increase from the previous year’s marker of 28.3%. This means more than one in four children under 18 live in families that lack adequate income to provide the opportunities the rest of the population too often take for granted. Insecure, unaffordable or overcrowded housing, lack of suitable and nutritious food and/or inadequate clothing are daily realities for 88,840 children in Manitoba. If our current approach continues, it will take 1,450 years to end child poverty.

<table>
<thead>
<tr>
<th>Manitoba Federal Ridings</th>
<th>Child Poverty Rates</th>
<th>National Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churchill-Keewatinook Aski</td>
<td>64.4%</td>
<td>1st</td>
</tr>
<tr>
<td>Winnipeg Centre</td>
<td>39.6%</td>
<td>3rd</td>
</tr>
<tr>
<td>Dauphin-Swan River-Neepawa</td>
<td>37.2%</td>
<td>4th</td>
</tr>
<tr>
<td>Winnipeg North</td>
<td>30.5%</td>
<td>18th</td>
</tr>
<tr>
<td>Brandon Souris</td>
<td>26.2%</td>
<td>34th</td>
</tr>
<tr>
<td>Selkirk-Interlake-Eastman</td>
<td>24.2%</td>
<td>49th</td>
</tr>
<tr>
<td>Portage-Lisgar</td>
<td>23.8%</td>
<td>56th</td>
</tr>
<tr>
<td>Elmwood-Kildonan</td>
<td>20.9%</td>
<td>9th</td>
</tr>
<tr>
<td>Winnipeg South</td>
<td>20.0%</td>
<td>114th</td>
</tr>
<tr>
<td>St. Boniface-St. Vital</td>
<td>19.7%</td>
<td>121th</td>
</tr>
<tr>
<td>Winnipeg South Centre</td>
<td>18.0%</td>
<td>153th</td>
</tr>
<tr>
<td>Kildonan-St. Paul</td>
<td>16.4%</td>
<td>187th</td>
</tr>
<tr>
<td>Provencher</td>
<td>16.3%</td>
<td>190th</td>
</tr>
<tr>
<td>Charleswood-St. James-Assinibois-Headingly</td>
<td>15.3%</td>
<td>209th</td>
</tr>
</tbody>
</table>

Once again, several federal ridings in Manitoba have among the highest rates of child poverty in Canada. Child poverty in the northern Manitoba riding of Churchill-Keewatinook Aski is the highest in the country at 64% or nearly two thirds. Winnipeg Centre has the third highest rate at 40% making it the urban riding with the highest child poverty rate in Canada. Dauphin, Winnipeg North and Brandon–Souris ranked 4th, 18th and 34th out of the 338 ridings nationally. These data show that while child poverty is most concentrated in the northern and inner city parts of Manitoba Harvest, it is prevalent everywhere. In fact, Manitoba has documented at least one food bank in every constituency of the province on which too many families must rely.

If our current approach continues, it will take 1,450 years to end child poverty.

Especially troubling are the data on children under 6. In Manitoba, nearly one in three preschoolers live in poverty. These formative years are critical for development, health and education. Child poverty in these years can have lifelong effects. Manitoba’s rate at 32% for children 6 and under is at the highest level of any other province.

Child poverty also has an uneven demographic distribution. Kids in single parent families are almost four times more likely to live in poverty as those in couple-led families. More than six in ten (62%) of children in single parent families lived in poverty in 2019. Although the data are not available from the most recent census, 2016 census data showed that First Nations, Métis and Inuit children in Manitoba all had elevated child poverty rates.
Manitoba's on-reserve and off-reserve child poverty rates were at 65% and 53% respectively. This trend shows the ongoing need for more substantive investments in realizing the recommendations of Canada's Truth and Reconciliation Commission. With Indigenous children representing 90% of children caught in the Child and Family Services system, the reforms outlined in our recommendations in this area are critical. The same census data also demonstrated that newcomer and racialized children are over-represented in poverty.

The progress that has been made since passing the 1989 federal resolution on child poverty has been nothing short of glacial. After 30 years, the child poverty rate in Manitoba is almost exactly the same. It has dropped only a single percentage point. Even though all political parties agreed to the goal of ending child poverty, no government since then has made the sustained investments necessary to lift children out of poverty.

This report and its recommendations demonstrate the missed opportunities of successive Manitoba governments to bring down child poverty rates. Manitoba has made the fewest fiscal investments in ending child poverty of any province. Comparing market incomes with after tax incomes including government transfers, on average across Canada, income taxes and cash transfers from governments succeeded in lifting 42% of children out of poverty. In Manitoba, government transfers and income taxes only lifted 31% of children out of poverty compared to market income. In other words, Manitoba has done less to alleviate child poverty than other jurisdictions.

The data in this report is from before the outbreak of the COVID-19 pandemic that has disrupted the lives of all families. However, it has left families who are coping with poverty especially vulnerable. Lower income neighbourhoods were among the most hard hit by the economic impacts of the pandemic, with rates of reliance on federal

The policy that has had the biggest impact on child poverty rates was the federal Canada Child Benefit (CCB). In 2016, with the introduction of the CCB as well as the implementation of Manitoba's Rent Assist the previous year, there was a noticeable drop in child poverty rates. Our data show that 69% of the improvement of child poverty rates as a result of government transfers was due to the CCB. The years since 2016 have seen an erosion of any progress made by the CCB in Manitoba.

Despite a growing economy, low-income families have been left out. The 20% of Manitobans with incomes below $25,000 actually saw their incomes drop during the period 2016 to 2019. However, the incomes of those middle and upper parts of the income distribution, with incomes between $50,000 and $80,000, saw their after tax incomes go up. Policy choices to reduce taxes left fewer resources available for fighting poverty, while cuts to programs like Rent Assist and Employment and Income Assistance (EIA) made it more difficult for families in poverty.
benefits such as the Canada Emergency Recovery Benefit (CERB) often twice as high in northern and inner city areas as in wealthier parts of the province. This is why it is so critical that governments do not claw back other benefits from these families, such as EIA, the Guaranteed Income Supplement (GIS), or even income tax returns, as a result of having received CERB.

While new variants of concern mean that the COVID-19 pandemic threatens to continue into 2022 and beyond, it is time for governments to invest more in those who were already struggling prior to the pandemic. No recovery can be truly successful if it is not a just recovery. Governments in Canada and Manitoba need to protect our most vulnerable and respect the dignity of those “in life’s first pages”. Adequate financial resources for all families are an essential precondition and measure of success of our efforts. We cannot justify a recovery that leaves anyone, especially our children, behind.

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Manitoba Child and Family Poverty Rates (2019)

Manitoba children continue to experience the highest poverty rate of any province (28.4%), 10.7% above the national rate of 17.7%. Only the territory of Nunavut has a higher rate [3]. This amounts to 88,840 Manitoba children who do not have adequate food, shelter, and clothing. This puts them at higher risk of developmental anomalies, poor health, and compromised mental health throughout their lives.

88,840 Manitoba children do not have adequate food, shelter, and clothing

Chart 2 demonstrates the decrease of child poverty in Canada and Manitoba since 2000. It also highlights the impact of the implementation of the federal Canada Child Tax Benefit (CCB) and provincial Rent Assist programs. After an initial decrease in 2016, Manitoba’s rates rose again in 2017, 2018 and 2019. The percentage decrease in all of Canada (27.3%) is almost three times higher than in Manitoba (10.0%). From this, it is clear that the Manitoba government has not effectively used federal initiatives such as the CCB or one of its own levers, Rent Assist, to move Manitoba out of its position as the province with the highest child poverty rate.

Chart 3 provides evidence as to how little child poverty has decreased in Manitoba since 1989, when the House of Commons unanimously passed a motion to end child poverty by the year 2000. Between 1989 and 2019 the Manitoba child poverty rate decreased by only 0.6%.
62% of Manitoba’s children and lone parents are living in poverty.

Chart 4 demonstrates that Manitoba has the highest poverty rate (16%) for children living in two parent families. This is 6.7% higher than the rate for all of Canada (9.3%).

Chart 5 demonstrates that the situation of child poverty is especially bad for Manitoba children living in lone parent families. More than three in five (62.1%) of Manitoba children in lone parent families are living in poverty. This is the worst record across all provinces and territories. Manitoba’s rate for children in lone parent families is 17% above the rate for all of Canada (45.1%).
Chart 6 visualizes what the child poverty rate would be in Canada and each province and territory considering only market income. Statistics Canada defines market income as follows:

*The sum of employment income (wages and salaries, net farm income and net income from non-farm unincorporated business and/or professional practice), investment income, retirement pensions, superannuation and annuities (including those from RRSPs and RRIFs) and other money income. It is equivalent to total income before tax minus all government transfers and is also referred to as income before transfers and taxes.*

The market would leave a higher percentage of Manitoba children (40.8%) in poverty than in any other province. Manitoba’s rate of market child poverty is 10.1% percentage points above the rate for all of Canada (30.7%). This demonstrates the need for public policy influence on the market by creating and enforcing a living wage and industrial policy focused on creating meaningful and sustainable jobs.

Manitoba’s median household employment income in 2019 was $56,600, $1,700 lower than the national average and the lowest in Western Canada. When one considers that many of the potential income streams, specifically wages, salaries and commissions, net self-employment income from farm or non-farm unincorporated business and/or professional practice, investment income, private retirement income (retirement pensions, superannuation and annuities, including those from registered retirement savings plans [RRSPs] and registered retirement income funds [RRIFs]), and other money income from market sources, are not ones available to most living in poverty, we have to consider Manitoba’s minimum wage, the second lowest of all the province’s as a contributing factor. Currently, Manitoba’s minimum wage is $11.95/hr, while the Canadian Centre for Policy Alternatives (CCPA) Manitoba’s recent A Family Living Wage for Manitoba finds that a two-parent and two-child family needs a minimum of $16.15/hr to thrive.
Chart 7 demonstrates the improvement in child poverty rates in every province and territory due to federal, provincial and municipal transfers to households and income taxation. Manitoba at 30.5% demonstrates the least improvement of any province or territory. This is 9.8% lower than the improvement in Canada as a whole. Since federal transfers and income tax policy are consistent throughout Canada, this low rate of improvement is clearly due to the failure of Manitoba income taxation and transfer policy.

Chart 8 isolates the effect of income transfers to households on the Manitoba child poverty rate, after income taxes have been paid. It demonstrates a 17% decrease in the child poverty rate based on transfers, with most (11.8%) due to the effect of the Canada Child Benefit.
**Chart 9** visualizes the child poverty rate for pre-school children in Canada and in each province and territory. This is an important developmental period which can be seriously disrupted by poverty. Alarmingly, Manitoba's 31.9% exhibits the highest rate of any province, 13.4% above the national rate of 18.5%.

**Chart 10** provides the average poverty gap ratio for Canada and Manitoba for various family structures. Statistics Canada defines the average poverty gap ratio as the dollar amount a household income is below the poverty line expressed as a percentage [7]. It is clear that Manitoba children live in deeper poverty than Canadian children as a whole in both lone parent and couple headed families.
Unfortunately, the taxfiler data we use cannot be used to break out poverty rates for Indigenous or racialized children. Only the census, once every five years, can support such an analysis. From the 2016 Census we know that poverty rates in 2015 in Manitoba of Indigenous children were much higher than those of non-Indigenous children. Non-Indigenous children had a poverty rate of 17.1%, while 65% of First Nations children on-reserve and 53% off-reserve lived in poverty respectively. Twenty-six percent of Metis children lived in poverty, as did 23% of Inuit children. Racialized children also had a significantly higher poverty rate than non-racialized children, 20.8% versus 12.2%.

In 2015, non-Indigenous children had a poverty rate of 17.1% while 65% of First Nations children on-reserve and 53% off-reserve lived in poverty.

The 2021 Census data are not yet available. Any analysis of that data and child poverty as a whole in 2020 will require a fulsome and detailed analysis of the effects of the pandemic and pandemic mitigation efforts by all levels of government. This analysis will need to continue given the pandemic is ongoing and government supports to people living in poverty have either ended, leveled off, or are in fact being clawed back from government income sources.
Recommendations

Child and family poverty continues to exist in Manitoba, negatively affecting our communities. The child poverty rate in Manitoba remains the highest amongst the provinces. Poverty leaves too many children without enough for their basic survival needs and denies them happy, healthy childhoods.

A broken promise and minimal progress towards fixing it is leaving many even further behind. As a nation, province and community, we have a responsibility to protect and support our children and advocate for all Manitobans to have equal opportunity to succeed. It is in the best interest of our province to make a real effort to reduce poverty, especially child poverty. The negative effects of poverty on children are detrimental to their developmental outcomes, personal growth, mental health, and education. We can do better.

Reviewing past legislation, the former Bill 29 is concerning. This “Reducing Red Tape and Improving Services Act 2020” includes changes to the Poverty Reduction Strategy Act. "The Committee responsible for monitoring the poverty reduction strategy is no longer required to meet four times each year. The minister's annual report is no longer automatically referred to the Legislative Assembly's Standing Committee on Social and Economic Development." [8]

To be more effective, the Government of Manitoba must be more ambitious and strategic with their poverty reduction targets. More importantly, it needs to put poverty elimination at the forefront of all of its policies and programs. It then must report regularly on successes and setbacks so the public can have confidence in their promised outcomes.

Accountability, Targets and Timelines

- The Government of Manitoba must immediately revise its poverty reduction strategy, committing to a bold target and timeline within a comprehensive poverty reduction strategy, to reduce poverty and social exclusion in Manitoba. Such as: Reduce the rate and depth of child poverty, with immediate emphasis on Indigenous, immigrant and racialized children, by 50% by 2025 from its 2015 level as per the T1FF measurement using taxfiler data.
- Reinstate provisions in the Poverty Reduction Strategy Act to require regular meetings of the Poverty Reduction and Social Inclusion Committee including community participation and ensure that its annual report is subject to oversight by the standing committee of the Legislative Assembly.
- The Government of Manitoba must commit to meaningful engagement with the communities most affected by child poverty and ensure leadership from amongst these communities in solution development and resource delivery.
- The Government of Manitoba should adopt the Census Family Low Income Measure After Tax (CFLIM-AT) as its official measure of poverty. This measurement is comprehensive; including well-being, living standards and comparing social exclusion among the population. The CFLIM-AT provides a more accurate poverty measure that allows for comparison of future success and failures.
- The Government of Manitoba use T1 Family File (T1FF) taxfiler data to measure poverty. It is a reliable and broad source with a more inclusive sample of family's income situations.
Improving Income Supports
Strategic investments and income support programs can support Manitobans and their children who live with a low income.

• Immediately introduce a Livable Basic Needs Benefit that lifts all Manitobans up to or above the Census Family Low Income Measure After Tax (CFLIM-AT). The Liveable Basic Needs Benefit will transform EIA as a first step towards introducing a basic income by removing conditionality from assistance, increasing its universality and improving its adequacy. Progressive steps to improving this benefit will provide a basic income guarantee for all Manitobans.

• The Province of Manitoba repeal section 231 of The Budget Implementation and Tax Statutes Amendment Act (BITSA) that denies First Nations children involved in the Child and Family Service (CFS) system access to justice by shielding the province from any legal actions for the taking of $335 million dollars in Children’s Special Allowance.

Accessible, High Quality Public Services
Accessible and quality public services are essential in the reduction and prevention of child and family poverty.

• Provide adequate transition supports and resources for youth aging out of Child and Family Services.

• Improve oversight to all third-party providers in Child and Family Services to ensure the safety and well-being of all children in state care.

• Establish a fully independent complaint process that both protects the complainants and creates a fairer, more transparent and effective complaint process.

• Commit to a Child and Family Services reform that:
  o Prioritizes solutions and leadership from the communities most affected by it.
  o Provides these communities with the resources necessary to implement and sustain services rooted in culture and community, given evidence of their effectiveness.
  o Support families by truly fulfilling the promise to end birth alerts, shifting the current funding model to incentives prevention over apprehension, creating more supports for parents victimized by intimate partner abuse over simply apprehension of any child, and committing more resources to family reunification.

• The Government of Manitoba must create 17,000 public, accessible, subsidized and quality childcare spaces allowing for access to education and support for children while meeting employment and/or educational needs for their parent(s) such as cost geared to income child care and available after usual work day hours. [9] Childcare should be free for families near or below the CFLIM-AT.

• Increase adequate public, suitable and affordable housing and commit to building at least 300 new social housing units per year while increasing maintenance on existing units.

• End sale of all Manitoba housing units.
• Increase investment in Rent Assist to reinstate the 25% of household income tenant contribution rate.
• Increase investment in Rent Assist to provide for a maximum of 100% of median market rent
• Engage with and invest in community-led programs that support children and families.
• Increase funding to double investment in community-based mental health and addiction for low income Manitobans

Immediate supports to alleviate poverty during the COVID-19 pandemic:

• Increase EIA benefits for single adults by $383 per month and for people with disabilities by $236 per month to bring their incomes to 75% of the Market Basket Measure of poverty so they can afford a place to live and purchase other basic needs like food, winter clothing, and hygiene products.
• Fully exempt the CERB, CRB and other federal COVID-19 recovery measures from EIA claw backs and ensure EIA benefits are not interrupted or cut off during the remainder of the COVID-19 pandemic.
• Reinstate the provincial eviction ban to prevent homelessness during the COVID-19 pandemic.
• Provide free internet access to all families near or below the CFLIM-AT.
Definition and Measurement:

This report is based on data from the 2019 calendar year from the T1 Family File, with poverty status derived from income tax returns. There is a clear advantage to using tax filer data in terms of obtaining a large and as representative a sample as possible. It has recently been estimated that 80.5% of working age Canadians file taxes, although filing rates vary among demographic and regional groups. This amounts to a sample of 27.2 million Canadians in the T1 Family File. This can be compared with estimates from Statistic Canada's Canadian Income Survey, from which the federal and provincial governments often derive poverty estimates. The Canadian Income Survey is a cross-sectional survey, and a subsample of the Labour Force Survey sample. Its sample size is only 16,002 families, and does not include persons living on reserves, the institutionalized population, and households in extremely remote areas with very low population density. These are all included in tax filer data though.

Beyond this, in 2019 there was under coverage in the Canadian Income Survey of 10% of the intended population and a response rate of 80.3% of those who were which is marginally lower than the tax-filing rate. The Canadian Income Survey also underestimates poverty rates by imputing benefits for which a household may have been eligible, but did not receive.

This report uses the Census Family Low Income Measure, after-tax as its poverty threshold. Statistics Canada describes the measure as follows:

“The Census Family Low Income Measure (CFLIM) is a relative measure of low income. It represents a fixed percentage (50%) of adjusted median census family income, where adjusted indicates a consideration of family needs.”

It is one of the suite of measures selected by the federal government to evaluate its poverty reduction strategy. We use it rather than the absolute Market Basket Measure used by the federal and Manitoba governments for two reasons. First, as a relative measure, the CFLIM focuses on the goals of social role performance, participation in socially sanctioned relationships and activities and adherence to culturally sanctioned behavioral norms rather than only upon physical subsistence, which is the focus of absolute measures such as the Market Basket Measure. Second, relative measures are much more strongly associated with child well-being and health status.

### Thresholds for After-Tax Census Family Low Income Measure (2019)

<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>
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For the sake of comparison, Market Basket Measure thresholds are calculated for five geographies within Manitoba. Thresholds for a family of four range from $38,931 in rural Manitoba to $45,164 in Winnipeg.

Children in census families with total incomes after taxes below the threshold for their family size are considered to be living in poverty. While the CFLIM provides a measure of poverty, even this threshold is below the level for most families to adequately meet their needs. The Canadian Centre for Policy Alternatives regularly publishes a cost calculation of a bare bones family budget for households in various Manitoba communities as part of its Living Wage report. In its 2020 report, they found that total monthly expenses of a two-parent two-child family in Winnipeg amount to $61,424 annually, equivalent to an hourly wage of $16.15 once government benefits and transfers are taken into account.

The child poverty rate based on the Census Family Low Income Measure calculated using taxfiler data was 28.4% in 2019. Using the Market Basket Measure from the Canadian Income Survey, the 2019 Manitoba child poverty rate was 14.1%. We find this 14.1% to be an underestimate because it uses data from a smaller, less inclusive survey with more sampling error and is based on a poverty concept which focuses narrowly on material deprivation and not on social inclusion or risks to health and development.

**Endnotes**

Unless otherwise noted, data in this report comes from custom T1FF data files from Statistics Canada.

2. Statistics Canada. Table 11-10-0193-01 Upper income limit, income share and average of adjusted market, total and after-tax income by income decile
3. 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.
6. Statistics Canada. Table 11-10-0190-01 Market income, government transfers, total income, income tax and after-tax income by economic family type
17. Statistics Canada. Table 11-10-0135-01 Low income statistics by age, sex and economic family type. DOI: https://doi.org/10.25318/1110013501-eng
18. Statistics Canada. Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year
20. Statistics Canada. Table 11-10-0018-01 After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition. DOI: https://doi.org/10.25318/1110001801-eng