

## Historic child poverty reduction due to pandemic benefits, progress likely temporary, new report finds

**OTTAWA** – Campaign 2000 is a national non-partisan coalition monitoring federal progress (or lack of) on child and family poverty. Their latest annual report finds that in 2020, despite the onset of a global pandemic and economic shutdown, child poverty was reduced by a dramatic 40%, the depth of poverty decreased across all family types, and income inequality (the gap between rich and poor) between families was reduced. This significant progress was due in large part to temporary pandemic transfers from the federal government to families and individuals.

“The lesson here is undeniable. Government transfers in the form of cash to families can reduce – and eliminate – income poverty, and it can be done quickly,” said Leila Sarangi, National Director of Campaign 2000 and co-author of report. “We saw significant reductions in rates of child poverty in every province and territory and in nearly every socio-demographic group we have data for. Emergency and recovery benefits, and one-time top ups to existing programs such as the Canada Child Benefit were largely responsible for these gains. For a long time now we’ve been calling on the federal government to increase transfers to families who have been left languishing in poverty. This report shows just how much of a difference these investments can make.”

The new national report, *Pandemic Lessons: Ending Child and Family Poverty is Possible*, finds that without any COVID-related transfers, the child poverty rate would have been nearly 21%. Despite historic progress, nearly one million children were left in poverty, with disproportionately higher rates for people marginalized by colonization, racism and systemic discrimination.

“Poverty reduction strategies and policies must aim at addressing and removing systemic barriers faced by Indigenous, Black, racialized and immigrant communities, youth, people without immigration status, people with disabilities, lone-mother led families and all marginalized groups. In order to address high poverty rates in these communities, we must address racism and discrimination in our institutions,” said Sabrina Teklab, Student and Family Advocate with the Centre for Resilience and Social Development in Ottawa. “Every day, we are seeing firsthand the negative effects of systemic marginalization in our communities and our institutions, and children are paying too large a price. Governments can and must do better to support marginalized and/or racialized youth in Canadian communities.”

“Income and wealth inequality are drivers of poverty. Policies governing the personal and corporate tax system are powerful tools the federal government has at their disposal to reduce these gaps and raise revenues needed for child friendly programs and policies,” said Inez Hillel, Economist and Co-Founder of Vivik Research and co-author of the report. “For example, the government loses nearly \$9 billion a year in tax revenue from corporate use of tax havens. This is a lot of money that could go toward funding the recommendations we put forward in this report card.”

Temporary income supports have ended, the federal government is seeking repayments for emergency benefits, families are struggling with significant rise in inflation in all areas of life, and poverty rates are projected to rise. The 2022 report card offers a sustainable, achievable, ongoing anti-poverty plan that includes more than 50 recommendations addressing inequality, income security, housing, childcare, decent work and healthcare. The national report card will be released in coordination with provincial report cards from partners in Yukon, British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

“Ending poverty is a policy choice,” Sarangi added. “Government knows what needs to be done, they have the resources, we now need political will and action.”

## CONTACT INFORMATION

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## BACKGROUNDER

### Key Findings from the 2022 National Report Card, *Pandemic Lessons: Ending Child and Family Poverty is Possible*

- **Nearly 1 in 8 children lived in poverty** (999,110 or 13.5%) in 2020.
- **The national child poverty rate declined by 40%** between 2019-2020, representing the largest year over year decrease since the federal government promised to eradicate child poverty in 1989.
- **The child poverty rate is higher (14.2%) for children under six** than all children.
- **Gains in child poverty were largely due to temporary federal emergency and recovery pandemic benefits and one-time top-ups to existing income programs, including the Canada Child Benefit.** Without pandemic benefits, the child poverty rate would have been 20.8% (1,542,090 children).
- **The average income of families in the bottom 10% of all families increased by 48%** to \$20,789 and the depth of poverty reduced for all family types.
- **The Canada Child Benefit (CCB) is losing its power to reduce child poverty.** The CCB reduced child poverty by 8 percentage points in 2020, down from 9.3 percentage points in 2019.
- **Over one third of children in poverty lived in lone-parent families, the majority of which are female-led.**
- **Child and family poverty disproportionately affects marginalized communities** due to historic and current practices of colonialism, racism and systemic discrimination.
- **Canada's universal childcare plan must include low-income children** with a sliding scale fee model of \$0 to \$10 maximum. All childcare expansion must be within the public and non-profit sectors.
- **Women continue to earn less than men in nearly all occupations**, including in sectors with the highest proportion of women.