Pandemic Lessons: Ending Child and Family Poverty is Possible
Land Acknowledgement

Campaign 2000 acknowledges the traditional and ancestral territories we work on and commits to actions of reconciliation in our work. We acknowledge the inherent rights of First Nations, Inuit and Métis Peoples and the treaty rights, title and jurisdiction of all First Nations, Inuit and Métis across the country. We are grateful for the generously shared knowledge and expertise of First Nations, Inuit and Métis organizations and individuals. We will continue to join with First Nations, Inuit and Métis Peoples in the work of decolonization and to advocate for the changes needed to uphold rights, and to build a society based on equity, justice, respect and self-determination where all children, families and communities can thrive.
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Executive Summary

During a global pandemic, rates of child poverty in Canada were reduced by a record 40%. Using tax filer data from 2020, the latest available, this report card finds that child poverty fell to 13.5%, down from 17.7% the previous year. That is the largest year over year drop since the federal government promised to end child poverty in 1989, and is largely a result of temporary pandemic benefits. These benefits have all been retracted and this progress is unlikely to be sustained in the future. The federal government must take action to maintain and build on these gains in poverty reduction.

Campaign 2000’s 2022 National Report Card on Child and Family Poverty found that:

- More than 1 in 8 children are growing up with the short- and long-term physical, mental, emotional, economic and social harms of poverty.
- Nearly 1 million (999,110) children lived in poverty according to the Census Family Low Income Measure, After Tax (CFLIM-AT). That is 314,290 fewer children living in poverty than in 2019.
- Child poverty declined in every region across Canada. The largest declines were in regions with the highest levels of child poverty, including Nunavut, Northern Manitoba and Northern Saskatchewan.
- Without temporary pandemic benefits, 1.5 million children would have been living in poverty. Temporary pandemic benefits protected 542,980 children from falling into poverty in the first year of the pandemic.
- 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.

This year’s national report card focuses on changes to income security measures, the need for decent work for all and the role of childcare in supporting low income families. It draws on data from focus groups and community conversations across the country to share the experiences of the real people who often get lost behind the numbers and emphasizes the need for trauma-informed and rights-based policy solutions to address the inequities of child and family poverty in this country.

From 2019 to 2020, child poverty was reduced in every province and territory in large part due to significant transfers from governments to individuals in response to the pandemic. These supports have all expired and many low-income families who have been deemed ineligible are being asked to repay pandemic benefits. This report card includes recommendations for implementing CERB repayment amnesty for those living below or near the Low Income Measure.

Child and family poverty disproportionately affects marginalized communities due to historic and present colonialism, systemic racism and other systemic inequities. Between 2015 and 2020, poverty rates for First Nations, Inuit and Métis children fell considerably between, but remain significantly higher than rates for non-Indigenous children. Ending poverty for First Nations, Inuit and Métis children and families depends on realizing their rights to their traditional lands, territories and resources.
Addressing racism and discrimination in poverty reduction initiatives is also key to addressing the high poverty rates experienced by racialized and immigrant children. Children without status did not experience reductions in poverty because pandemic benefits were not available to them. Families should have access to benefits like the Canada Child Benefit regardless of immigration or citizenship status.

Decent work is necessary to end child and family poverty. In particular, care workers must be guaranteed adequate pay and decent working conditions because the conditions of work are the conditions of care. Migrant workers, many of whom work in the care economy, must be provided with legal status upon arrival. The pandemic also revealed the inadequacy of the Employment Insurance (EI) system. EI reform is needed and must prioritize the needs of women, especially racialized women.

This year’s national report card, Pandemic Lessons: Ending Child and Family Poverty is Possible, includes more than 50 recommendations on poverty reduction measures that cover inequality, income security, decent work, childcare, housing and public health. The pandemic, government response and significant reduction in poverty rates demonstrated that child poverty is a policy choice, not an economic inevitability. These recommendations offer the opportunity to build on the progress of 2020 and make the choices necessary to end child and family poverty.
Summary Recommendations

Poverty Reduction Strategy

- Ensure that all children can realize the right to an adequate standard of living by creating a trauma-informed plan of action to eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax (CFLIM-AT) calculated with T1 Family File data. Commit to achieving a sustained reduction in poverty rates by 50% between 2015 and 2026.

- Create plans to eliminate poverty for marginalized children and adults who experience higher rates of poverty, including First Nations, Inuit and Métis Peoples, urban and rural Indigenous Peoples, Black and racialized people, people with disabilities, im/migrants, newcomers, people with precarious immigration status and female-led lone-parent families along the same timelines – by 50% by 2026 and eliminate poverty by 2030.

- 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 fully resourced poverty reduction advocate who can investigate major systemic issues.

- Mandate a data-collection strategy that collects data disaggregated by First Nation, Inuit and Métis identity, ability, race, gender, migrant status and 2SLGBTQQI+ identity, among other sociodemographic identities. Detailed data are critical for poverty reduction planning, monitoring, evaluation and budgeting. Strengthen and refine intersectional gender and rights-based policy and budget analysis using both quantitative and qualitative data.

- Consider the development of a Strategy for Children and Youth that compliments the Poverty Reduction Strategy and reflects new ambitious targets to end child poverty and advance the right for all children to an adequate standard of living.

Income Security

- Invest $6.4 billion to create a Canada Child Benefit End of Poverty Supplement (CCB-EndPov) targeted to families in deep poverty. Broaden access to the CCB for families with precarious status by repealing legislation tying eligibility to immigration status. Expand the circle of people able to attest to a child’s residency, ensuring that kinship, customary care and families caring for children outside a formal arrangement have access to the CCB.

- Reverse CCB reductions due to receiving the Canada Emergency Response Benefit (CERB) for moderate income mothers and protect the CCB from future clawbacks with legislative amendments. Implement CERB Repayment Amnesty for everyone living below or near the CFLIM-AT.

- Invest $2 billion into the Canada Social Transfer (CST) to support social assistance adequacy and remove arbitrary growth restrictions as first steps towards ensuring that social and disability

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1 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.
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.

- Pass legislation for the Canadian Disability Benefit, substantially increase the amount of the children’s disability benefit, and create a caregiver’s benefit, such that these benefits enable people with disabilities to meet their needs. Ensure that benefits reach those with low incomes with expanded criteria, are refundable, allow workers to keep earned income and work towards ending disability poverty.

- Implement a Canadian Livable Income for working age individuals to replace the Canada Worker’s Benefit, untying income security eligibility from earned income for adults.

- 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 international jurisdictions for best practices on financial inclusion, while building on informal practices developed by community organizations locally. Delivery methods can include prepaid reloadable credit or debit card systems or mobile and digital transfers. Any cash transfer system must be co-created and co-led by locally trusted organizations that can help to mitigate barriers to government systems faced by marginalized groups.

First Nations, Inuit and Métis Children

- Collaborate with First Nations, Inuit and Métis governments and organizations, including women’s and 2SLGBTQQI+ organizations, to develop plans to prevent 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 well-being; and evidence-based closure of socio-economic outcome gaps by collecting data in ways that honour the First Nations Principles of Ownership, Control, Access, and Possession (OCAP) to support measurement and reconciliation.

- 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.

- 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. Fully implement The Spirit Bear Plan to end inequities across public services.
Racialized and Immigrant Children

- 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.

Inequality

- Address growing income inequality and generate revenue for poverty reduction programming by eliminating or reducing highly regressive and expensive tax loopholes, closing tax havens, taxing extreme wealth, and implementing an excess profit tax focused on corporate pandemic windfalls.

Decent Work

- Ensure wages are adequate and at minimum bring employment incomes up to the CFLIM-AT. Legislate equal pay and benefits for all workers regardless of employment status, gender, racialization, or immigration status.
- 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 enhancing new minimum standards to include enforceable standards for pay, working conditions, full-time staffing levels and skills development support.
- Provide permanent resident status on arrival for migrant workers to ensure access to labour protections, income support and health benefits.
- Immediately implement long-awaited Employment Insurance reform with measures including expanding access for premium payers currently excluded; extending access to new enrollees; reducing qualifying hours to 360 hours or 12 weeks Canada-wide; significantly boosting the 55% benefit rate and the 33% benefit rate for extended parental benefits; and introduce a permanent minimum weekly benefit.
- Strengthen the federal Employment Equity Act and attach community benefit agreements to all federal infrastructure investments. Implement disaggregated data collection strategy to inform, monitor and evaluate these expenditures and ensure racialized and underrepresented groups have equitable access and benefits.

Child Care

- Work with provinces and territories to implement 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 through operational funding of childcare programs. Ensure that operational funding of childcare services factors in decent, fair compensation for staff.
• Convene a Canada-wide process to develop Early Learning and Child Care (ELCC) workforce strategies that address wages and working conditions, credentials and training, career advancement and professional opportunities.

• Require provinces/territories to develop public expansion strategies to ensure sufficient public and non-profit service expansion including equitable coverage in low-income, high need and less densely populated communities. This will require enhanced public funding through the ELCC Infrastructure Fund. Attach community benefit agreements to infrastructure investments.

• Honour, fund and fully implement the Indigenous Early Learning and Child Care Framework.

**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 diverse people fleeing violence, immigrants, refugees, First Nations, Inuit and Métis Peoples, families and youth.

• Adapt the National Housing Strategy to ensure it meets Canada’s obligations to realizing children’s rights to housing outlined in the UN Convention on the Rights of the Child and the National Housing Strategy Act.

• 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.

**Public Health**

• 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, 2SLGBTQQI+ and marginalized youth.

• Enhance the Canadian medicare program to include pharmacare, dentistry, vision and physical rehabilitation services.
During a global pandemic, Canada reaches record low child poverty

The COVID-19 global health pandemic led to unprecedented economic shutdowns around the world. In Canada, labour market participation rates dropped overnight as public health measures mandated people to isolate at home to stop the rapid spread of the new virus. The federal government stepped in with a suite of income security measures aimed at mitigating the number of people who would fall into poverty as a result of sudden job loss.

These pandemic benefits, which included emergency and recovery benefits, broadened Employment Insurance criteria and one-time top-ups to refundable tax-credits, including the Canada Child Benefit, helped to stave off people falling into poverty. During this time of crisis, Canada reached record low poverty and child poverty rates.

In 2020, 999,110 children (13.5%) lived in poverty. That is 314,290 fewer children living in poverty than in 2019. Temporary pandemic benefits largely explain the significant and sudden decline in child poverty rates. They were not designed as poverty reduction programs, but they had the effect of reducing poverty and inequality in every jurisdiction across the country.

Despite enormous positive gains across regions and demographic groups, First Nations, Inuit and Métis children and children in marginalized groups including im/migrant and racialized children and in lone female-led families continued to experience disproportionately higher poverty rates.

The pandemic is not over. People are still getting sick and caring for those who are sick. Record high inflation rates are drastically increasing the cost of living. The federal government has rolled back all temporary pandemic benefits and implemented a punitive post-payment verification and repayment process for individuals they deem ineligible for payments, which is disproportionately negatively affecting low-income individuals and families.

Rather than building back better from the pandemic and learning from its successes and mistakes, policies and programs that worked to help low-income families navigate the crisis have ended and lessons have quickly been forgotten. Marginalized, low-income families will pay the price.

For the past 32 years, Campaign 2000: End Child and Family Poverty has tracked progress (or lack thereof) towards the elimination of child poverty and put forward achievable, community-driven policy solutions. Previous report cards have all shown that pre-pandemic poverty reduction measures were insufficient to end child poverty. Policy changes must explicitly address root causes of marginalization and inequities, adhering to trauma-informed approaches of policy development that rely on the principle of doing no harm. Specifically, policies must prioritize safety, empowerment, transparency and intersectionality and be developed collaboratively.¹

This report card focuses on changes to income security measures, the need for decent work for all, and the role of childcare in supporting low-income families. Focus groups were held to gather insight on the issues and recommendations from parents and young people living in poverty. A series of focus groups and community conversations were held in several provinces and territories as part of the Localizing Canada’s Commitment to the Sustainable Development Goals Project.² Content from these conversations has been
included throughout the report card to give added depth and description to the experiences of the real people who often get lost behind the numbers.

Ending poverty is a choice. Governments can choose to build on the positive lessons from the pandemic and work towards ending poverty once and for all.
A note on 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 (see Table 1 for thresholds). 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. Due to a two-year lag in data release for tax filer data, this report examines the year 2020, the first year of the COVID-19 pandemic. Government transfers for this year include the range of emergency pandemic supports federal, provincial and territorial governments put in place (see Annex 1).

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 is a consumption-based measure, calculated using the Canadian Income Survey (CIS), 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. There are currently 53 baskets costed out for various regions across the provinces. The CIS is a much smaller sample than tax filer data (CIS surveyed approximately 72,000 households in 2020 compared to nearly 29,000,000 individual tax filers), is subject to sampling error, and results in lower poverty rates.

Figure 1 illustrates the discrepancies between the two measures. According to the MBM, the child poverty rate in 2020 was 4.7%, representing 333,000 children. The child poverty rate according to the CFLIM-AT was 13.5%, representing 999,110. This is a striking difference of more than two-thirds, a gap that widens year over year.
Figure 1. Number and Percent of Children in Poverty, MBM and CFLIM-AT, 2015-2020

Sources: 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. MBM data – Statistics Canada. Table 11-10-0135-01, CIS Table 2-Persons living below the poverty line (Market Basket Measure).

Table 1. Census Family Low Income Measure, After-Tax Thresholds by Family Type, 2020

<table>
<thead>
<tr>
<th>Family type</th>
<th>CFLIM-AT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person (no child)</td>
<td>23,976</td>
</tr>
<tr>
<td>Lone parent with one child</td>
<td>33,907</td>
</tr>
<tr>
<td>Lone parent with two children</td>
<td>41,528</td>
</tr>
<tr>
<td>Couple with one child</td>
<td>41,528</td>
</tr>
<tr>
<td>Couple with two children</td>
<td>47,952</td>
</tr>
</tbody>
</table>


The Low Income Measure, After Tax (LIM-AT) and the MBM are also calculated with Census data, both of which are available for the year 2020. Despite these additional sources, Campaign 2000 continues to rely primarily on estimates using the CFLIM-AT calculated using the T1FF as they are considered more reliable. Table 2 highlights the different estimates of child poverty from each of the available measures.
Table 2. Measures of child poverty, under 18, 2020

<table>
<thead>
<tr>
<th>Poverty definition</th>
<th>CFLIM-AT</th>
<th>LIM-AT</th>
<th>MBM</th>
<th>MBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Source</td>
<td>T1 Family File</td>
<td>2021 Census</td>
<td>Canadian Income Survey</td>
<td>2021 Census</td>
</tr>
<tr>
<td>Poverty Rate (%)</td>
<td>13.5%</td>
<td>11.9%</td>
<td>4.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Number of children in poverty</td>
<td>999,110</td>
<td>854,565</td>
<td>333,000</td>
<td>596,455</td>
</tr>
</tbody>
</table>

Sources: CFLIM-AT data – Statistics Canada Table 11-10-0018-01, LIM-AT data – Statistics Canada Table 98-10-0100-01, MBM CIS data – Statistics Canada. Table 11-10-0135-01, and MBM census data – Statistics Canada Table 98-10-0117-01.

The Census-based LIM-AT results in an estimated child poverty rate of 11.9%, compared to 13.5% using T1FF data and the CFLIM-AT. The discrepancy between measures is primarily driven by the fact that income is calculated at the household level rather than census family level. ‘Households’ are a broader concept that includes everyone living in a private dwelling unit, regardless of their relation, whereas the ‘census family’ is a concept that refers to married or common-law couples with or without children, or lone parents with at least one child living in the dwelling with them.

Although this report card primarily relies on the tax-based CFLIM-AT, poverty rates are also reported using the Census-based LIM-AT for population groups such as people who are racialized, immigrants, and First Nations, Inuit and Métis Peoples where noted, and for whom estimates are not available using T1FF data.

The considerably lower poverty rates reported by the MBM are in part due to the different definition of poverty and in part due to a lack of inclusion in the target population. MBM measures exclude many of the people living in the deepest poverty, including those in the territories and living on reserves. The MBM based on Canada Income Survey data further excludes other Indigenous settlements, people living in institutions, and households in extremely remote areas with very low population density.

Statistics Canada published estimates for the first time in 2022 for the Yukon and the Northwest Territories using the Northern MBM (MBM-N), the official poverty line for these territories, which use a basket of goods tailored towards the needs of life in the territories.

According to the Yukon and Northwest Territories MBM-N, the child poverty rate was 11.3% in 2020. This is a step towards making the MBM more inclusive, but its coverage remains limited and it continues to ignore the relative components of poverty. The MBM-N for Nunavut is still not available; however, a discussion paper is expected in 2023.
Child and family poverty by the numbers

In 1989, Parliament unanimously adopted a resolution to end child poverty by the year 2000. Progress has been slow, and this goal has yet to be reached. Campaign 2000 analysis this year shows that significant gains were made between 2019 and 2020. Indeed, **40% of the total decline in poverty in the past 20 years happened in the last year.** The significant poverty reduction observed was largely due to temporary pandemic benefits that contributed towards an additional 314,290 children lifted out of poverty. Without comparable, continuing investments into children and families, the rate of child poverty will likely increase in subsequent years.

**Figure 2. Children in Low-Income Families in Canada, 2000-2020**

One million children in poverty despite recent progress

In 2020, 31 years after Parliament’s unanimous commitment, 13.5%, or nearly 1 million children, remained in poverty according to the CFLIM-AT. Put into context, more than 1 in 8 children are growing up with the short- and long-term physical, mental, emotional, economic and social harms of poverty. The health impacts of poverty are especially unforgiving for young children yet child poverty rates for children under six were even higher at 14.2%, representing 327,550 children.6

Rates of child poverty vary by region. Nunavut had the highest child poverty rate in the country at 28.1%, and Yukon the lowest at 9.0%. Six provinces had child poverty rates above the national average. Among them, Manitoba had the highest rate at 20.7%, followed by Saskatchewan at 19.7%. Four provinces and
one territory had child poverty rates below the national average: Quebec (10.6%), Alberta (12.8%), British Columbia (13.3%), Ontario (13.4%), and the Yukon (9%) (Figure 3).

For children under six, Nunavut had the highest poverty rate, at 35.4%, followed by Manitoba at 24.0%. Yukon and Québec had the lowest poverty rates for children under six at 9.0% and 9.8% respectively (Figure 4).

**Figure 3. Child poverty rates across Canada, under 18, 2020**

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 (T1FF), 2020.
Figure 4. Child poverty rates across Canada, under 6, 2020

Poverty decreased in every province and territory

From 2019 to 2020, every province and territory saw a reduction in child poverty due to increased transfers from governments to families and individuals. Manitoba saw the largest decrease of 7.7 percentage points, falling from 28.4% in 2019 to 20.7% in 2020. Yukon saw the smallest decrease at 2.8 percentage points (Figure 5). This stands in contrast to 2019 data when several provinces saw increases or only very nominal decreases in child poverty rates compared to the previous year.

Source: Statistics Canada, Centre of Income and Socioeconomic Well-Being Statistics, Annual Income Estimates for Census Families and Individuals (T1 Family File), Custom Tabulation.
Child poverty fell across every census metropolitan area and federal riding from 2019 to 2020. Among the eight largest metropolitan areas, Winnipeg saw the largest drop, 5.3 percentage points, but still had the highest child poverty rate of all CMAs at 16.9%. Across federal ridings, child poverty remained highest in Desnethé-Missinippi-Churchill River (northern Saskatchewan) at 41.7% and Churchill-Keewatinook Aski (northern Manitoba) at 39.2%. However, child poverty significantly declined in these ridings by 16 and 25.2 percentage points respectively, more than in any other riding in the country.

“I had to give my education a step back at the end of my high school in order to provide for myself at a full-time job… I needed to provide for myself as I didn't have any other supports in my life at the time with family or friends. So my education took the hit so I would not live on the streets.” - A young person from Churchill-Keewatinook Aski

Family poverty is feminized

Stark differences in child poverty rates can be found when broken down by family type and gender. Across family types, the rate of child poverty was lowest among children who lived with two parents, at 7.3%. Children who lived without a parent or guardian had the highest child poverty rate at 32.6%. Of lone parent families, female-led families had higher rates of child poverty than male-led families (29.7% versus 22.3%, representing 343,220 and 69,275 children, respectively) (Table 3). This is a significant difference underscoring the feminized nature of poverty.
Table 3. Percent and number of children in poverty by family type, 2020

<table>
<thead>
<tr>
<th></th>
<th>Living with two parents</th>
<th>Living with a man+ lone parent</th>
<th>Living with a woman+ lone parent</th>
<th>Living without a parent/guardian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of children in poverty</td>
<td>7.3%</td>
<td>22.3%</td>
<td>29.7%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Number of children in poverty</td>
<td>413,935</td>
<td>69,275</td>
<td>343,220</td>
<td>28,135</td>
</tr>
</tbody>
</table>

Note. "Man+" and "woman+" are terms used by Statistics Canada to denote that some gender-diverse people are included in these groups because the sample of gender diverse people was too small to report separately. Source: Statistics Canada. (2022). Table 98-10-0100-01: Low-income status by age, census family characteristics and household type. 2021 Census.

Table 4 shows poverty rates and numbers across age groups. While the rate of poverty was remarkably similar across age groups, the number of working age adults living in poverty was almost three times higher than for children or seniors. The Canada Child Benefit (CCB) and the Guaranteed Income Supplement (GIS) for seniors are responsible for the lower numbers of people living in poverty in those age groups. There is no similar program for working age adults. The patchwork of income support programs is completely insufficient and do not provide enough of a safety net to substantially reduce the number of working age adults living in poverty.

Table 4. Poverty by age group, 2020

<table>
<thead>
<tr>
<th></th>
<th>0-17</th>
<th>18-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty rate (%)</td>
<td>13.5</td>
<td>13.1</td>
<td>13.8</td>
</tr>
<tr>
<td>Number of People in Poverty</td>
<td>999,110</td>
<td>2,940,130</td>
<td>929,710</td>
</tr>
</tbody>
</table>


Childhood poverty is a traumatic experience that has lifelong impacts. Children who experience poverty are at a higher risk of adverse health consequences, including cardiovascular disease, type II diabetes and death, and this elevated risk persists even if they experience improvements in later life circumstances. Childhood poverty increases the risk of poverty in adulthood - many adults living in poverty were once children living in poverty.
For the first time, the 2021 Census collected data on gender identity and found that non-binary persons aged 18-24 had the highest MBM poverty rate at 32.5%, followed by transgender men at 20.9% and transgender women at 17.0%. For comparison, cisgender women and cisgender men had poverty rates of 14.0% and 13.8%, respectively.

Canada’s Poverty Reduction Strategy

There are two targets in the Canada Poverty Reduction Strategy (CPRS) and the Poverty Reduction Act (PRA): to reduce poverty by 20% by the year 2020 and by 50% by the year 2030 (from the base year 2015). Both targets were achieved well ahead of schedule – the 20% reduction realized in 2018 and the 50% reduction realized in 2020. As described in this report card, it is unlikely that this reduction will be sustained over the longer term given that temporary government transfers that contributed to the significant drop in poverty and child poverty rates have all expired.

Poverty is a serious violation of the right to an adequate standard of living. Canada was reviewed on its progress towards implementing and upholding the Convention on the Rights of the Child in May 2022. Campaign 2000 co-authored two submissions with partners Colour of Poverty-Colour of Change, and Canada Without Poverty and Citizens for Public Justice, for the Committee’s consideration. Following the review, the United Nations Committee on the Rights of the Child released concluding observations in which they stated they were ‘deeply concerned’ about discrimination of children from marginalized communities including Indigenous and Black children, children in different regions and territories, children with disabilities and migrant and racialized children. Areas of concern included higher rates of poverty and structural discrimination with regards to their access to education, health and an adequate standard of living.¹²

Several of the Committee’s recommendations addressed child poverty explicitly, echoing those Campaign 2000 has been putting forward for years. These include:

1. Strengthening supports for children with disabilities;
2. Ensuring that financial and material poverty, or conditions directly attributable to such poverty, is never the sole reason for removing a child from family and into foster care;
3. Ensuring that all children and their families living in poverty receive adequate financial support and free, accessible services without discrimination;
4. Strengthening measures to achieve targets to end the homelessness of children and guarantee the right for all children from low-income families to adequate, affordable, stable and long-term housing; and
5. The establishment of ambitious annual targets to eliminate child poverty, particularly among Indigenous and Black children and children from marginalized groups, along with public monitoring and reporting of outcomes.¹³

In 2022, the federal government put forward an eight-point Affordability Plan to address the unprecedented rise in inflation that significantly increased the cost of all basic needs, particularly food, shelter and transportation. Of the suite of measures, some were targeted to low-income families:
1. Enhancing the Canada Worker’s Benefit (CWB) of up to $2,400 for modest income couples. This enhancement includes automatic advanced payments for workers who would have been eligible for the CWB in the prior tax year;

2. A one-time tax-free top-up to the Canada Housing Benefit of $500;

3. Automatically increasing the Goods and Services Tax (GST) credit for eligible recipients for six months by up to an extra $234 for singles without children and up to an extra $467 for couples with two children for a total of $2.5 billion; and

4. Implementation of the Canadian Dental Benefit for uninsured families with children under 12 years of age and family income of less than $90,000. The benefit totals two payments of $650 maximum each over two years.

Total new spending on this package is $4.8 billion. These measures will provide some immediate relief to eligible families, but it is important to note that the measures are temporary. New spending represents a small fraction of spending required to substantially reduce poverty, as COVID-19 relief spending in 2020 shows.

It is time for the federal government to create a meaningful plan to eliminate poverty that upholds the rights of children and addresses the root causes and structural nature of poverty and discrimination, income insecurity, lack of access to services, public health and inequality. That current poverty reduction targets were reached a full decade in advance shows just how much more room for ambition there is in the current strategy.

**Recommendations**

- Add to the PRA the acknowledgement of the right to an adequate standard of living honouring Canada’s international human rights obligations. Entrench fully resourced and independent mechanisms to realize those rights within this legislation, similar to those in the National Housing Strategy Act;

- Replace the Market Basket Measure with the Census Family Low Income Measure After Tax (CFLIM-AT), calculated with annual tax filer data. The CFLIM-AT is a broad, comprehensive and relative measure of poverty. It is designed to measure what this strategy seeks to achieve by way of its three pillars: dignity, opportunity and resilience;

- The Strategy and PRA should commit to a 50% reduction in poverty between 2015 and 2026 and to eliminate poverty by 2030 based on the Census Family Low Income Measure, After Tax calculated with T1 Family File data;

- Targets and programs must explicitly aim to reduce poverty by 50% by 2026 and eliminate poverty by 2030 for marginalized adults and children who experience higher rates of poverty including First Nations, Inuit and Métis Peoples, urban and rural Indigenous Peoples, Black and racialized people, people with disabilities, immigrants and female-led lone parent families;

- Develop a detailed action plan describing new and expanded policies, programs, timelines, annual targets, evaluation methods and budget must be developed. These elements are currently missing from the CPRS. Collection and analysis of disaggregated data, as well as ongoing community
conversations to gather qualitative data, must inform this plan and work to further GBA+
commitments;

- The Advisory Council should be independent and appointed by an all-party committee. It must
have the mandate and full resources to evaluate the federal government’s efforts on poverty
reduction and report directly to the House of Commons;

- The Poverty Reduction Advisory Council must not be dissolved once the target of reducing poverty
by 50% is achieved as is currently stated in the PRA; rather, the Council should have the mandate
and resources to continue its work until poverty is eradicated across Canada;

- Consider the development of a Strategy for Children and Youth that compliments the Poverty
Reduction Strategy and reflects new ambitious targets to end poverty and advance the right for all
children to an adequate standard of living; and

- 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.
Government transfers can end child poverty

Pandemic transfers contribute to significant drop in child poverty

During the COVID-19 pandemic, federal, provincial and territorial governments implemented a wide range of income supports to help people who lost work hours because of the pandemic. Over $102 billion was spent by the federal government on new emergency and recovery benefits and top-ups to existing programs.14 In total, these temporary pandemic benefits protected 542,980 children from falling into poverty in 2020 (see Annex 1 for list of benefits).15 The most significant programs are listed in Table 5.

Table 5. Characteristics of the largest pandemic support programs for individuals

<table>
<thead>
<tr>
<th>Program</th>
<th>Eligibility</th>
<th>Benefit amount</th>
<th>Eligibility period</th>
<th>Total cost ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Emergency Response Benefit (CERB)</td>
<td>Residents (with a Social Insurance Number [SIN]) who lost or reduced employment due to COVID-19 and had at least $5,000 employment income in the past year</td>
<td>$500/week</td>
<td>March – October 2020</td>
<td>$74.8</td>
</tr>
<tr>
<td>Canada Recovery Benefit (CRB)</td>
<td>Residents (with a SIN) who had lost or reduced employment due to COVID-19 and had at least $5,000 employment income in the past year</td>
<td>Up to $500/week ($300/week after 42 weeks or July 18, 2021)</td>
<td>October 2020 – October 2021</td>
<td>$25.6</td>
</tr>
<tr>
<td>Canada Recovery Caregiving Benefit</td>
<td>Residents (with a SIN) who could not work because they had to care for a child or family member who was sick, self-isolating or whose school or facility was closed, and had at least $5,000 income in the past year</td>
<td>$500/week</td>
<td>September 2020 – May 2022</td>
<td>$3.82</td>
</tr>
<tr>
<td>Canada Emergency Student Benefit</td>
<td>Citizens and permanent residents of Canada who were students or recent graduates, could not find work, and were not eligible for CERB or EI</td>
<td>$1,250 per four weeks ($2,000/four weeks for those with children or a disability)</td>
<td>May – August 2020</td>
<td>$2.94</td>
</tr>
</tbody>
</table>
Residents (with a SIN) who could not work because they were sick, self-isolating or immuno-compromised, and had at least $5,000 income in any of the past three years

Canada Recovery Sickness Benefit

$500/week (maximum 6 weeks)

September 2020 – May 2022

$1.22

Figure 6 shows what the child poverty rate would have been without any government transfers, without the Canada Child Benefit (including a one-time $300 top-up) and without pandemic benefits. Without pandemic benefits, the child poverty rate would have been 20.8% for children under 18 and 21.9% for children under 6. This is higher than the child poverty rate in 2019, which was 17.7% for children under 18 and 18.5% for children under 6, indicating that in the absence of temporary pandemic transfers, child poverty would have increased in 2020.

Pandemic benefits reduced poverty by 7.3 percentage points for children under 18 and by 7.7 percentage points for children under 6. Pandemic benefits reduced poverty for children under 18 and under 6 in every province and territory, ranging from 3.9 percentage points in Yukon to 15.1 percentage points for children under 6 in Nunavut (Figure 7).

Figure 6. Child poverty rates with and without government transfers, 2020

Source: Statistics Canada, Centre of Income and Socioeconomic Well-Being Statistics, Annual Income Estimates for Census Families and Individuals (T1 Family File), Custom Tabulation.
Enhanced child benefits could further reduce child poverty

In 2020, the Canada Child Benefit (CCB) reduced child poverty by 8 percentage points for children under 18 and by 8.5 percentage points for children under 6. The CCB reduced child poverty under 18 in every province and territory, ranging from a 4.9 percentage point reduction in the Yukon to a 15.2 percentage point reduction in Nunavut (Figure 8). Without the CCB, an additional 589,560 children would have been in poverty in 2020. This includes the one-time $300 CCB pandemic top-up, which could have been much better targeted to low-income families. It was provided to all families with net income up to $307,960, a cut-off far greater than the $195,460 before the amendment to the Income Tax Act.¹⁶

Campaign 2000 research has found that the CCB is losing its power to sustain an ongoing reduction in child poverty. While the enhanced CCB reduced child poverty by 8 percentage points in 2020 representing 589,560 fewer children in poverty, this is down from 2019 when the CCB reduced child poverty by 9.3 percentage points representing 692,060 fewer children in poverty that year.
A new investment is needed

The 2023 Alternative Federal Budget puts forward the non-taxable Canada Child Benefit End of Poverty Supplement (CCB-EndPov). The CCB-EndPov would provide an additional $8,500 per year to eligible families with an earned income of less than $19,000 for the first child. Additional amounts would be provided for multiple children and the supplement would reduce at a rate of $0.50 for every additional dollar of income. This supplement would have a dramatic effect on the rates of child poverty, reducing it from 8% in 2023 to 3.6% according to the Market Basket Measure. Single parent families, who are mostly female-led and who have extremely high rates of poverty, would see their child poverty rate reduce from 24.3% to 8.4%.

Pandemic benefits reduced depth of poverty

The pandemic-related government transfers that reduced child poverty rates played a role in reducing the depth of poverty. The depth of poverty is measured by the dollar gap between the median income level of low-income families and the CFLIM-AT low-income thresholds by family type. This gap decreased for all family types in 2020. Lone parents with two children experienced the largest reduction in depth of poverty ($1,993), while couples with no children experienced the smallest reduction ($407). The average family in low income had a median income that was 66.3% of the CFLIM-AT threshold in 2020, up from 62.4% in 2019.
Poverty depth will likely increase after 2020 because temporary pandemic supports have been withdrawn.

Across family types, the poverty gap was largest for lone parents with two children ($14,825). Couples with two children also experience deep poverty, with an average low-income gap of $14,673. The depth of poverty gap is larger for families with children than families without children (Figure 9).

Inadequate social and disability assistance programs and inadequate minimum wages across the provinces and territories are significant contributors to the depth of poverty.

Figure 9. Depth of poverty in Canada by family type, 2020

Social and disability assistance programs

Social assistance and disability rates vary across the country but there is currently no provincial or territorial program that brings family incomes up to the level of the CFLIM-AT Low Income Threshold. Provincial and territorial programs leave people in deep poverty by design.

“I for sure can’t live one month off of [disability assistance]. Not at these prices... And yet how is that possible if you’re on disability that you are less than.” -Community conversation participant

In most provinces and territories, the Canadian Emergency Response Benefit (CERB) provided about double the monthly benefit that social assistance provides for single working age adults. A minimum floor was created when the federal government decided to pay $2000 to workers who lost employment because of the pandemic lockdowns through CERB, but social and disability assistance rates did not rise in
alignment. Social and disability recipients who received the CERB were subject to harsh clawbacks in almost every province and territory across the country. 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). The federal government encouraged provinces and territories to not claw back CERB amounts from social and disability assistance recipients, but they did not use their full power to mandate that as a program requirement.

**CERB Amnesty**

According to a 2022 report by the Parliamentary Budget Office, CCB payments were reduced on average by $606 in 2021/22 because of pandemic benefits being counted into income calculations. Over three years, these clawbacks will mean that the federal government will spend $1.45 billion less in child benefit payments.

Although the Canada Emergency Response Benefit (CERB) expired in September 2020, families are still experiencing clawbacks to their Canada Child Benefit (CCB). Working mothers with moderate incomes who have multiple children have experienced the largest reductions to their CCB entitlements. For example, a mother with four children who had an earned income of $33,000 and received the maximum amount of CERB in 2020 would have her CCB reduced by 23%, or $2,760 in the 2022/23 tax year. Clawbacks are not limited to the CCB only; they are being experienced by all refundable tax credits with the exception of the Guaranteed Income Supplement, which is protected from reductions as a result of legislative changes.

Compounding clawbacks, the federal government is continuing to seek repayments from people who have been deemed ineligible for pandemic benefits or deemed to have received an overpayment of CERB. A report by the Auditor General recommends increasing the extent of post-payment verifications for COVID-19 benefit programs for individuals. The federal government is already spending more than $250 million to verify eligibility and pursue repayments from people they have deemed ineligible for pandemic benefits they received.

While the federal government has been calling their approach compassionate and flexible, Campaign 2000 has consistently heard that it causes unnecessary hardship for the mostly low-income people who are being pursued in the nearly two years since this process started. Low-income earners have a much harder time meeting verification requirements. Many are paid in cash and these payments do not flow through bank accounts because of their need to make essential purchases immediately. People who receive honoraria from non-profits rarely receive accompanying paperwork they can use to prove eligibility. Others were encouraged to apply at the outset of the pandemic when the CERB was rolling out quickly and eligibility guidelines were changing and unclear. The federal government’s messaging was that no one would be left behind. Social workers, community workers, welfare case workers, constituency office workers and CRA workers all either encouraged or mandated people to apply.

**Repayment plans of any amount will put additional unnecessary pressure on families to meet their basic needs.**

The federal government must immediately reverse the CCB reductions for moderate income mothers as a result of receiving CERB, reverse reductions to all refundable tax credits, and implement a CERB
repayment amnesty for everyone who received CERB and/or the CRB and who are living below or near the Census Family Low Income Measure, After Tax.

Government benefits contributed to the most significant year over year drop in child poverty in the past 20 years. Instead of working against this progress, governments must implement enhanced benefit programs to sustain these gains. The pandemic, government response and significant reduction in poverty rates demonstrated that child poverty is a policy choice, not an economic inevitability.

**Federal disability benefits**

People with disabilities experience disproportionately high rates of poverty. While 22% of Canadians live with a disability, they make up 41% of those who live in poverty. Official poverty rates do not fully capture the experiences of people with disabilities or parents and caregivers of children with disabilities and complex needs because poverty rates do not take into consideration their higher costs of living. The definition of disability is also too narrow, leaving many people out of counts.

The federal government has introduced Bill C-22, the *Canada Disability Benefit Act*, ahead of schedule in response to pressure, advocacy and organizing from disability communities across the country. This legislation will establish a new federally funded Canada Disability Benefit (CDB), an important step to helping persons with disabilities. As of January 2023, the Bill has passed second reading. The current patchwork of disability credits leaves many falling through the cracks. It is imperative that this new benefit be broad and reach people with disabilities living on low incomes, be refundable to protect it from being clawed back by social assistance programs and allow people to keep earned income.

Improving the CCB Children’s Disability Benefit must also be a top priority for the federal government. The CCB Children’s Disability Benefit is insufficient, providing families with eligible children $248.75 per month or $2,985 annually in 2022-23. Federal Minster Qualtrough was given a mandate to double the children’s disability benefit in 2019 but to date there has been no movement in this urgent area.

**Accessible government transfers**

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.

Filing a tax return allows access to many government benefits, yet 10-12% of adults do not file a tax return each year and 10% of people with children do not file taxes, resulting in $3,000 to $4,000 in lost income annually for parents. According to a CRA report, “the perceived complexity of the process… [was one of] the most common challenges faced by people who do not file their income tax return”. Free, automatic tax filing, which is already available in several other countries, would go a long way to ensuring that those who need them most are able to access government benefits. The federal government promised to implement free, automatic tax filing in 2020 but so far, no progress has been made.
Cash transfers for non-tax filers

Efforts to expand eligibility for benefits and broaden the personal tax system are important poverty reduction measures. However, some people experiencing systemic marginalization would still face barriers to accessing benefits they are entitled to. The Auditor General found that federal departments overestimate access to benefits and recommended developing a comprehensive action plan to reach people who are not accessing benefits. Campaign 2000 recommends implementing an alternative direct cash transfer system to ensure income benefits reach those who need them most, who often include those without a permanent address, without citizenship status and those who work in informal or cash-based economies. The federal government must look to other jurisdictions for best practices to deliver cash benefits, whether through prepaid reloadable credit cards or electronic transfers. Community organizations should be relied upon to provide these cash transfers because they are the most likely to be able to reach these populations.

Recommendations

- Invest $6.4 billion to create a non-taxable Canada Child Benefit End of Poverty Supplement (CCB-EndPov) targeted to families in deep poverty;
- 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;
- Immediately implement a CERB Repayment Amnesty for everyone living below or near the CFLIM-AT;
- Refund all clawed back benefit amounts to the CCB due to pandemic benefit receipt and protect future benefits from clawbacks with legislative amendments;
- Further invest $2 billion into the Canada Social Transfer (CST) 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;
- Pass legislation for the Canadian Disability Benefit, substantially increase the amount of the children’s disability benefit, and create a caregiver’s benefit, such that these benefits enable people with disabilities to meet their needs. Ensure that people with disabilities are included in benefit development in meaningful and active ways through every step of the process. Ensure that benefits reach those with low incomes with expanded criteria, are refundable, allow workers to keep earned income and work towards ending disability poverty;
• Implement a Canadian Livable Income for working age individuals to replace the Canada Worker’s Benefit, untying income security for adults from earned income; and

• 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 community organizations, and in the medium term, such as mobile or digital transfers as poverty elimination efforts.
Ending poverty for First Nations, Inuit and Métis children

Actualizing self-determination and ending settler colonialism can only happen if poverty is eradicated and the rights of First Nations, Inuit and Métis Peoples are realized. Forceful separation of First Nations, Inuit and Métis Peoples from their lands, cultures, communities and families is a direct result of ongoing settler colonialism. During consultations Campaign 2000 held over the past year, Indigenous participants noted that “a huge part of poverty is the loss of culture,” and this loss contributes to ongoing intergenerational trauma. Community members noted that living in poverty is itself traumatic, and that communities without poverty would be able to heal from trauma. The connections between colonialism and intergenerational trauma are deep. As described in the introduction of this report card, trauma-informed principles and approaches must be applied to poverty eradication policy development to address past and ongoing harms.

Figure 10. Child Poverty in First Nations, Inuit and Métis Communities, 2020


Disproportionately high child poverty

First Nations, Inuit and Métis children continued to have exceptionally high poverty rates. **First Nations children living on reserve had a child poverty rate of 37.4%**; the rate for First Nations children living off reserve was 24%; for Inuit children, 19.4%; and for Métis children, 15.2% (Figure 10).

First Nations children living off reserve experienced the largest reduction in child poverty between 2015 and 2020 (17 percentage points). Poverty decreased 15.6 percentage points for First Nations children living
on reserve, by 5.6 percentage points for Inuit children and by 6.8 percentage points for Métis children.\textsuperscript{32,33} Despite these reductions, poverty rates for First Nations, Inuit and Métis children remain significantly higher than rates for non-Indigenous children (10.8%).

**Systemic poverty perceived as neglect**

Poverty often directly contributes to child apprehension, particularly for First Nations, Inuit and Métis communities, for whom racism and stigma mean that poverty is perceived as neglect rather than a consequence of government policies.\textsuperscript{34} In 2020, First Nations, Inuit and Métis children made up 7.7% of all children under the age of 14 but 53.8% of the population of children in foster care.\textsuperscript{35} This is an increase from 52.2% in 2015.\textsuperscript{36} First Nations children are 17 times more likely to be apprehended into the child welfare system than non-Indigenous children.

Reports published by the Truth and Reconciliation Commission describe the intergenerational effects of the trauma inflicted by the Residential School System and Sixties Scoop on First Nations, Inuit and Métis children, contributing to high poverty rates and overrepresentation in the child welfare system.\textsuperscript{37} Racism and discrimination in the child welfare system also continue to persist, similarly affecting rates of child apprehension.\textsuperscript{38} Five of the 94 Calls to Action established in 2015 by the Truth and Reconciliation Commission of Canada (TRC) directly relate to child welfare.\textsuperscript{39} These calls emphasize self-determination and solutions centred in First Nations, Inuit and Métis approaches to child welfare and should be implemented without delay.

The effects of the child welfare system persist even after childhood. First Nations, Inuit and Métis youth ageing out of child welfare systems are often left with no support while navigating trauma. Such a lack of support can lead directly to experiences of poverty and homelessness; in Vancouver, it is estimated that roughly half of First Nations, Inuit and Métis youth who age out of care experience homelessness, including hidden homelessness.\textsuperscript{40}

> “Life after care feels like you’re forgotten. Like your file is closed and it just goes to the archives, and no one opens it anymore.” - Community conversation participant

**Adequate housing is essential**

Overall, First Nations, Inuit and Métis Peoples are more likely to experience both unsheltered and hidden homelessness.\textsuperscript{41} Shelters that serve First Nations, Inuit and Métis survivors of abuse identified the lack of permanent housing as the most common issue victims of abuse face.\textsuperscript{42} Gender-based violence and intimate partner violence are connected to legacies of trauma and colonization; a 2022 report notes that First Nations, Inuit and Métis women and children represented a larger proportion of residents in shelters for survivors of abuse than their representation in the overall population.\textsuperscript{43}

> “You’re trying to get your kid to school and trying to get them a decent home but when you come back up from down south there’s nothing here. There’s no housing. There’s nothing. I waited two years for a house. Me and my son lived in a hotel room.” - Community conversation participant who self identifies as First Nations
First Nation, Inuit and Métis rights must be realized

The 2019 Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls outlines 231 Calls for Justice and emphasizes equitable access to housing and economic security as essential. Immediate action is needed on the implementation of the recommendations from this report as well as the Royal Commission on Aboriginal Peoples, the final report of the TRC (after seven years, only 13 of 94 recommendations have been implemented), and for the full funding of the Spirit Bear Plan and Jordan’s Principle.

Jordan’s Principle, named in memory of Jordan River Anderson, a First Nations child from Norway House Cree Nation in Manitoba, aims to ensure First Nations children have access to the services they need when they need them. Between July 2016 and October 2022, more than 2.13 million products, services, and supports (e.g. medical equipment, educational supports, mental health services and more) were approved under Jordan’s Principle.

In 2007, the First Nations Child and Family Caring Society of Canada and the Assembly of First Nations filed a complaint under the Canadian Human Rights Act alleging that the Government of Canada’s flawed implementation of Jordan’s Principle, among other actions, was willfully discriminatory. A December 2022 update outlines the Canadian Human Rights Tribunal (CHRT)’s decisions to not endorse the Final Settlement Agreement for this complaint, since it would result in compensation being reduced or eliminated for some Jordan’s Principle victims. The First Nations Child and Family Caring Society of Canada invites further learning about this case through the I am a Witness Campaign.

Canada’s commitment to achieving the Sustainable Development Goals by 2030, the first goal of which is No Poverty, is dependent upon respect and realization of First Nations, Inuit and Métis Peoples rights to traditional lands, territories and resources. Actualizing Canada’s commitment to First Nations, Inuit and Métis rights in its adoption of the United Nations Declaration on the Rights of Indigenous Peoples, and fully implementing the right to self-determination for all First Nations, Inuit and Métis Peoples, which was incorporated into Canadian law in 2021 through Bill C-15, has yet to be realized but are fundamental to achieving these goals.

Recommendations

- Collaborate with First Nations, Inuit and Métis governments and organizations, including women’s and 2SLGBTQQI+ organizations, to develop plans to prevent 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 well-being; and evidence-based closure of socio-economic outcome gaps by collecting data in ways that honour the First Nations Principles of Ownership, Control, Access and Possession (OCAP) 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;

I am a Witness Campaign.
• 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 clear timelines and budgets for the implementations of the Calls to Action and Calls for Justice;

• Fully implement Jordan’s Principle per the CHRT definition and approach, regardless of the jurisdictional model per C-92- by:

• Providing funding that is evidence-informed, based on well-being 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 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.

• 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;

• Endorse and adopt the Equitable Standards for Transitions to Adulthood for Youth in Care in every jurisdiction;

• 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; and

• 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.
High poverty rates persist for racialized and immigrant children

High poverty rates in racialized communities are a result of systemic and structural racism. These terms refer to racism that is embedded into the systems (e.g. the health care or criminal justice systems) and structures (e.g. laws, regulations, norms) of society; both manifest as widespread discrimination. Consequently, racialized people are more likely to encounter barriers and exclusion when accessing programs for income support, housing, health care, employment, food and safety. The racism entrenched in those services and the laws and regulations that govern those services further exacerbate inequalities that emerge due to unequal access to income and power.

Systemic racism, structural racism and discrimination are a chronic source of stress, traumatic experiences and the reproduction of poverty over generations for racialized and immigrant children. A trauma-informed rights-based approach to policy development is necessary to sustainably address the intersecting inequalities experienced by racialized and immigrant children and families living in poverty. The federal government must ensure that all children have the right to the same services and standards of care, regardless of race or immigration status – and that these rights are realized.

Figure 11. Child Poverty Rates, Select Racialized Groups, ages 0-14, 2020


Data from the 2021 Census provide updated poverty statistics for children who are racialized. Comparisons to previous data should be interpreted with caution because the 2021 Census published poverty rates for racialized children aged 0-14, while the 2016 Census published poverty rates for racialized children aged 0-
17. With this caveat, child poverty rates declined for each racialized group for whom Statistics Canada reports data from 2015 to 2020.

In 2020, the poverty rate among racialized children was 15.1%, compared to 10.8% for non-racialized children (Figure 11). Arab children continued to report the highest poverty rates (26.3%), followed by Korean children (23.5%), West Asian children (22.5%), Latin American children (20.1%) and Black children (18.6%).

Figure 12 shows poverty rates by immigration period for permanent residents. More than one in five children who have been in the country five years or less lived in poverty (21.8%). This rate was more than double the rate for non-immigrant children (10.7%). Overall child poverty rates declined the longer families had been in the country, although this overall trend may not have been true for immigrant children from Caribbean, West African and Latin American countries. The overall poverty rate for immigrant children (18.8%) was higher than the national average (11.8%).

Figure 12. Child poverty rates by immigration period, 2020

Note: Only landed immigrants and permanent residents are included as immigrants in this figure. Statistics Canada did not report poverty rates for temporary residents or those without legal status. Source: Statistics Canada Table 98-1003-14-01. Individual low-income status by immigrant status and period of immigration. Census 2021.

The child poverty rate for non-permanent residents (those holding a work or study permit, asylum claimants, and their families) is only available using the Market Basket Measure (MBM), which suggests an extraordinarily high poverty rate of 45.8%. Poverty rates for people without legal status in Canada are unavailable, but data collected in New York shows higher poverty rates for people without legal status than immigrants with legal status. People without legal status in Canada likely also have higher poverty rates than permanent and non-permanent residents with status because tax-based poverty reduction measures are not extended to people without legal immigration status. The Canada Child Benefit (CCB), for example, is not available to those without legal status, nor to non-permanent residents during their first 18
months in Canada.65 The Canada Emergency Response Benefit (CERB) is another example of a benefit that was not available to people without legal status during the pandemic.

Immigration reform is needed to address the structural problems created and maintained by the current laws.66 No one living or working in Canada should be barred from accessing government benefits that those with citizenship or permanent resident status are entitled to. Government should provide legal status on arrival for all immigrants so they can access benefits, health services and labour protections. The federal government should also conduct a comprehensive racial equity review of Canada’s immigration and refugee system to fully understand its differential impacts on racialized peoples.67

**Racism and immigration status shape health outcomes**

Racialized and immigrant communities face intersecting barriers related to child and family poverty. The conditions that create poverty also create poor health outcomes.68 For example, the lack of immigration status that contributes to poverty for people without status also excludes them from the health care system. In Ontario, British Columbia and Québec, immigrants and temporary foreign workers, who also have high poverty rates, do not have health insurance coverage during their first three months in Canada. As poverty and health are closely linked, poverty reduction policies should address social determinants of health such as stigma, adequate housing and access to healthcare.69

Stigma and discrimination in the health care system impact the quality of care that First Nations, Inuit and Métis Peoples, people who are racialized and marginalized populations receive.70 Community members from across the country noted wide-ranging effects of discrimination and stigma in the health care system on the quality of and access to health care.

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**Food insecurity reflects a family’s ability to meet their needs and has serious implications on mental and physical health.**71 1 in 5 children live in a household that experiences food insecurity.72 The right to food is a fundamental human right.73 Data from the 2020 Canadian Income Survey (CIS) found that 30.7% of Indigenous households were food insecure, as were 27.6% of Arab and West Asian households, and 22.4% of Black households.74 In comparison, 13.2% of white households were food insecure. An evidence-based way to combat food insecurity is to boost the incomes of families living in poverty.75 The inclusion of a pan-Canadian school food policy in the 2022 Budget is a positive step toward meeting the educational and nutritional needs of children, but it will not eliminate food insecurity.76

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**Core housing need high for racialized immigrants**

Systemic racism and discrimination contribute to increased levels of inadequate housing for non-permanent residents and recent immigrants.77 The intersection of being racialized and not having permanent immigration status amplify rates of core housing need (Figure 13). Of racialized non-permanent resident children, 35.1% lived in core housing need, a rate almost twice as high as for non-racialized non-permanent resident children, almost three times as high as for racialized children born in Canada and almost six times as high as for non-racialized children born in Canada.
Figure 13. Percent of children in core housing need for racialized and not racialized, by immigration status and period, ages 0-14, 2020


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;78

• Appoint an independent national commission to conduct a comprehensive racial equity review of Canada’s immigration and refugee system, including legislation, regulations, policies and priorities;

• End use of the term ‘visible minority’ in the Employment Equity Act in reference to racialized peoples;

• Ensure access to benefits, including the Canada Child Benefit (CCB), regardless of 1) lack of identification like social insurance number (SIN), 2) immigration or citizenship status, 3) a Canada Revenue Agency (CRA) account or a fixed address, or 4) work status (standard versus precarious, casual or home-based work); and

• 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, 2SLGBTQQI+ and marginalized youth.79
Income inequality harms children

Higher levels of income inequality are associated with increased levels of many social problems including higher homicide rates, increased rates of mental illness and lower life expectancy, over and above the direct effects of poverty. Researchers have suggested that there is now enough evidence to conclude that income inequality causes worse population health. Income inequality is correlated to several negative outcomes for children such as increased bullying and lower overall well-being.

Income inequality declined in 2020

Up until 2020, income inequality had persisted at high levels for two decades. Pandemic benefits, however, helped to close the gap. The share of income earned by the top 1% of individuals fell by 0.7 percentage points compared to 2019, while the share of income earned by the bottom 50% of earners increased by 2.4 percentage points. Even after this decrease in inequality, the average income in the top 1% was 23 times higher than the average income in the bottom 50%. Income inequality is gendered – three in four people in the top 1% of earners were men while 6 in 10 people in the bottom 50% were women.

Table 6 shows the average income earned by census families with children under 18 in the highest, middle- and lowest-income decile by family type. The ratio of the income of the average family in the top decile to the income of the average family in the lowest decile was highest for female-led lone-parent families (14.2) followed by male lone-parent families (12.1) and couple families (7.1).

Table 6. Average incomes of the highest and lowest decile of census families with children by family type, 2020

<table>
<thead>
<tr>
<th>Families with children under 18</th>
<th>Lowest decile</th>
<th>5th decile</th>
<th>Highest decile</th>
<th>Ratio of highest to lowest decile</th>
</tr>
</thead>
<tbody>
<tr>
<td>All census families</td>
<td>$20,789</td>
<td>$83,641</td>
<td>$248,393</td>
<td>11.9</td>
</tr>
<tr>
<td>Couple families</td>
<td>$37,909</td>
<td>$98,603</td>
<td>$268,705</td>
<td>7.1</td>
</tr>
<tr>
<td>All lone-parent families</td>
<td>$8,381</td>
<td>$44,895</td>
<td>$116,951</td>
<td>14</td>
</tr>
<tr>
<td>Male lone-parent families</td>
<td>$11,515</td>
<td>$50,613</td>
<td>$139,443</td>
<td>12.1</td>
</tr>
<tr>
<td>Female lone-parent families</td>
<td>$7,900</td>
<td>$44,050</td>
<td>$112,082</td>
<td>14.2</td>
</tr>
</tbody>
</table>


The average family in the highest decile earned nearly $250,000 in 2020, up 7% from 2019. The average family in the lowest decile earned $20,789, up 48% since 2019. The jump in average family income for the lowest income decile can be attributed to pandemic benefits, which amounted to more than social and disability assistance programs and minimum wages for low-income families. The ratio between families at the top of the distribution and families at the bottom of the distribution fell from 16.5 to 11.9. The highest
decile families own nearly one quarter of the total share of income compared to the lowest decile, which own 2% (Figure 14).

**Figure 14. Percent share of income by decile for census families, 2020**

![Diagram showing percent share of income by decile for census families, 2020](image)


Where data is available, it shows that women and racialized people are overrepresented at the bottom of the income distribution. 70.5% of persons in lone parent families were in the bottom half of the after-tax income distribution by family. This number was even higher for female-led lone parent families (72.6%) and higher still for women with children under six years of age without other relatives in the household (93.3%).

Figure 15 shows the share of children in the bottom half of the family income distribution for select racialized groups. Racialized children are overrepresented with 64.0% in the bottom half of the family income distribution compared to 53.5% of non-racialized children.
Figure 15. Share of children in the bottom half of the income distribution for select racialized groups, ages 0-14, 2020


Wealth inequality contributes to income inequality by generating an additional income stream for those with wealth. The bottom 20% of households hold no wealth (i.e., their debts are larger than their assets) so this income stream is not available to them. Larger wealth tends to generate a higher rate of return further exacerbating both income and wealth inequality. In 2016, 30.8% of non-racialized people had income from investments compared to only 25.1% of racialized people. Among those with investment income, it was 47% higher for non-racialized people, suggesting that non-racialized people hold more wealth than racialized people.

Wealth provides families with financial security and stability, but wealth inequality is even more significant than income inequality. Recent estimates suggest that the top 1% of households own 28.7% of wealth in Canada while the bottom 40% of households own 1.4%. This level of wealth inequality is higher than many comparable Western European countries and has increased significantly since 1984. Wealth inequality continues to increase due to rising interest rates, increasing debt for people with the least wealth and rising corporate profits, increasing the value of assets for people with the most wealth.

Corporate tax reform needed

Corporate profits reached record highs during the pandemic. In 2021, corporate after-tax profits totaled $435 billion, up from $332 billion in 2019. The largest corporations in Canada reduced their effective tax

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2 Wealth is defined as the sum of one’s assets, including housing and financial assets, less liabilities.
rate to 15% through a myriad of tax loopholes despite a statutory tax rate of 26.5%. People living in poverty feel this injustice deeply.

“Banks and food chains are raking in record profits. And we can’t afford to buy food.” -Community conversation participant

Increased corporate taxation is needed to redistribute corporate profits to reduce inequality and alleviate poverty; and can be implemented without hurting the economy. In 2022, the federal government announced their intention to increase the annual corporate tax rate on banks and insurance companies by 1.5% (half the increase the federal government promised in 2021) and to introduce the Canada Recovery Dividend, a one-time 15% tax on taxable income above $1 billion for banks and insurance companies. These are steps in the right direction but should be applied to the entire corporate sector.

The government loses nearly $9 billion annually in tax revenue from corporate use of tax havens. The government could limit multinational tax avoidance through a minimum tax on foreign profits. Increased transparency about corporate ownership and information sharing across jurisdictions would ensure corporations are not able to avoid taxes through profit shifting. Establishing a public registry of beneficial owners of corporations and trusts and investing in the Canada Revenue Agency (CRA) to carry out enforcement activities would also help to prevent tax avoidance.

During the pandemic, the Canada Emergency Wage Subsidy provided $100.7 billion to corporations. Although these subsidies were to be used to prevent layoffs, the recent Auditor General report found that not enough data was collected to evaluate the program on this basis. This report should have recommended more aggressive pursuit of repayments from corporations who took advantage of this program, rather than recommending more vigorous pursuit of repayments from low-income families.

**Canada’s personal tax system must become more progressive**

Increasing taxation of people with the most wealth would combat inequality and raise revenues that could be used to fund social programs. Billionaire wealth increased by over $50 billion during the first six months of the pandemic in 2020. But as a community member suggested, “Instead of the rich getting richer and the poor getting poorer, we could redistribute the income.” Nine in ten people share this view and support the idea of a modest tax on wealth above $10 million, which has the potential to generate $28 billion in the first year.

The federal government must act to close tax loopholes that disproportionately help the richest people. 28% of people in Canada with income over $400,000 pay less than 15% of their income in taxes. In Budget 2022, the government promised a plan to update laws to ensure high earners pay a minimum 15% tax rate, but they have yet to follow through. The capital gains loophole, which allows investors to pay half the taxes that people who work for a living pay, contributes to this problem - 92% of the lost revenue from the capital gains loophole goes to the top 10% of income earners. Eliminating this loophole would generate $22 billion per year.
Reductions in inequality may not be sustained

Rising inflation, increased corporate profits and the rollback of pandemic benefits suggest that reductions in poverty and inequality will not be sustained. Inflation hurts people living in poverty because they experience declines in real purchasing power and are forced to reduce spending on basic needs like food and transportation. Core inflation, the increase in the average price of a basket of consumer goods, was 3.4% in 2021 and 6.3% in 2022, after hovering around 2% for the previous two decades. The inflation of food, shelter and transportation, which represent the largest budgetary items for people with low incomes, outpaced average inflation for several months in 2022. To combat inflation, the Bank of Canada has raised their benchmark interest rate from 0.25% to 4.25% in 2022. This response also hurts people living in poverty because they are more likely to be in debt, have less disposable income to be able to pay for higher interest rates and may be driven into unemployment.

Inflation has been exacerbated by the never-before-seen increase in corporate profits. The Canadian Centre for Policy Alternatives estimated that 26% of inflation was driven by excess corporate profits. Rising corporate profits also contributed to the 100 highest paid CEOs earning 243 times the average worker in 2021, the highest ratio on record, showing that the fall in income inequality in 2020 was not sustained in 2021.

Recommendations

- 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;
- Require large profitable corporations to pay their fair share by increasing the corporate tax rate and expanding the Canada Recovery Dividend to cover all sectors;
- Limit how corporations can use tax havens by requiring greater corporate transparency and introducing a minimum tax on foreign profits;
- Close highly regressive and expensive tax loopholes such as the capital gains loophole; and
- Tax extreme wealth by introducing a wealth tax on the richest households.
Work must be a pathway out of poverty

Work should be a pathway out of poverty but many working adults are unable to meet their basic needs. Many issues contribute to inequities of work in Canada: precarious, low-paying jobs, and the disproportionate impact on racialized women; pay inequity embedded in the structure of the care economy; intersecting barriers related to immigration status, race, and gender; and an inadequate Employment Insurance (EI) system.

Many parents with lived experience of poverty reported that their employment income did not allow them to meet their needs. Nearly 60% of minimum wage workers are women, 31% are immigrants (up from 21% a decade earlier), and 34% have a post-secondary degree or higher. The failure to collect data disaggregated by race means that there is no data about the proportion of racialized minimum wage workers today. The overlap between minimum wage and precarious work is also worth noting – 31.9% of all part-time workers earn minimum wage. Poor or no benefits are often a feature of precarious and part-time work adding an additional burden on workers in these jobs.

“Because of the number of children I have and being a single mother, none of the income that I’ve received has ever been enough… Even having a decent job wasn’t enough to support the family. Sometimes I get told that because I’m working, I should be okay.” -Focus group participant, single mother of five

Female-dominated sectors, including accommodation and food services and the educational services sectors, are seeing the largest increases in part-time or temporary work. Within those sectors, women, especially racialized and immigrant women, are overrepresented as part-time workers. Women make up 56% of the accommodation and food service workers and 61% of the part-time employees. In the educational services sector women make up 68% of the employees and 73% of the part-time employees. In terms of the sheer number of workers, retail sales employ more than any other sector, over 2 million workers, most of them women (54.9%). It too is increasingly characterized by part-time and temporary work.

Women still earn less than men in nearly all occupations, including in sectors with the highest proportion of women (Figure 16). The gendered wage gap is larger for Indigenous and racialized women. On average, racialized women make 60 cents and Indigenous women make 57 cents for every dollar non-racialized, non-Indigenous men make. Women with disabilities make 44 cents for every dollar men make in Ontario. Discrimination in the workforce, systemic and structural racism and the unequal division of unpaid care work are major drivers of the gender and racial wage gaps. Inflation is further eroding wages. Wage growth has not kept pace with inflation, meaning that workers effectively saw wage cuts in 2021-2022. In the education services sector, workers saw a decline in their wages even before taking inflation into account.

“There’s times where I feel completely out of control. I work and I can’t afford anything right now with the way that the prices have gone up. It’s really hard.” -Community conversation participant
The devaluation of women’s work creates precarity in the care economy

The care economy is a growing economic sector that includes paid and unpaid childcare, elder care, health care, education and social and domestic services. As of 2016, nearly 1 in 5 employed people were working in the care economy and 75% of paid care worker positions were held by women. Immigrant and racialized women are overrepresented among low-paying care worker positions. Traditional gender roles and stereotypes associate care work with women’s work; the historical devaluation of women’s work, especially racialized women’s work, means that care work is often underpaid, under-supported or unpaid.

As shown in Figure 16, four of the five occupation classifications with the highest proportion of women include occupations in the care economy (home care providers, medical assistants, early childhood educators and nurses). Aside from nurses and allied health professionals, women earn less than the national average employment income ($47,500) in the other three care economy occupational groups. On average, women in home care provider occupations, who are predominantly racialized women, earned only $20,760 in 2020.
“Most of the time these jobs are part-time, contract, so you don’t get bonuses. You’re... working long hours, over-time and especially if you have kids. By the time you reach that age of having all that experience and education, you’re going to leave those jobs, because they’re not paying what they need to have, they don’t have salaries that can support a family and there’s no trauma counselling or support. These are the people who are saving the world. You need to give them a living wage at the minimum.”
-Young person describing their experience with care workers

The undervaluing of care work has led to government underfunding of supports for care workers and underinvestment in care infrastructure. High stress often accompanies care work, and poor working conditions only further exacerbate workplace stress. Studies have found that for health care workers, being young, female, overworked and unsupported were predictors of post-traumatic stress symptoms and post-traumatic stress disorder. The severe consequences of these poor working conditions should not be downplayed – many COVID-19 infections and deaths in care facilities could have been prevented if workers had access to supports such as personal protective equipment, ventilation and paid sick days. The federal government must take on a leadership role to ensure that healthcare funding is directed towards ensuring high standards of care and supporting care workers.

Unpaid care work is disproportionately done by women. On average, women spend 3.9 hours per day engaging in unpaid care work compared to 2.4 hours for men. The pandemic amplified these disparities, with many women taking on additional unpaid care work in the home due to school closures. The disproportionate burden of unpaid care work, coupled with the concentration of women employed in sectors impacted by pandemic restrictions, resulted in major job losses for women at the onset of the pandemic. The impact of job losses was more pronounced for First Nations, Inuit and Métis Peoples and people who are racialized, who were subsequently more likely to report challenges meeting their financial needs.

Migrant workers need permanent residency upon arrival

Migrant workers recruited by employers in Canada for low-wage work are predominantly racialized. They are typically employed in jobs that do not have a pathway to permanent residence. Their immigration status is precarious; many workers are tied to one employer on a closed work permit and those with renewable permits still need the employer to sign off. These factors, among others, make them more vulnerable to exploitation and abuse compared to workers with permanent immigration status or Canadian citizenship. Migrant workers have reported numerous accounts of sexual abuse, wage theft and threats of deportation. Despite these accounts, the federal government has continuously expanded the program over the past two decades, with temporary foreign workers increasing sevenfold from 2000 to 2021. Approvals to hire workers through the program were up 60% in the first half of 2022 over the first half of 2021.

The temporary foreign worker system, including the seasonal agriculture worker program, creates a ‘two-tiered workforce.’ Employers benefit from this system because it provides them with a source of cheap, exploitable labour. Temporary and undocumented workers, predominantly from Global South countries, are overrepresented in low-wage care work and agricultural production, working in jobs that are undervalued by the current economic system and receive little pay. Migrant care workers, who are mostly racialized women, often live in their employers’ homes, which left them especially vulnerable to abuse from
their employers during the COVID-19 pandemic. One in three migrant care workers lost their jobs during the pandemic, meaning many lost their homes as well.\textsuperscript{128}

**EI reform is needed to reduce precarity**

The pandemic revealed the significant inadequacy of the current Employment Insurance (EI) system. The EI system privileges people with full-time, higher-waged employment. Precariously employed workers typically do not qualify in the current system. Racialized women are overrepresented among precariously employed workers and are disproportionately affected. The proportion of unemployed people who receive EI benefits has fallen from 87\% in 1976 to 38\% in 2019.\textsuperscript{129}

Strict eligibility requirements require people to have worked up to 700 hours in the past year in order to qualify for EI. This is especially difficult for women who have caregiving responsibilities to meet. Women, and especially racialized women, are more likely to work part-time or be in and out of the labour force, which makes it difficult to collect the required hours.\textsuperscript{130} When women are eligible for EI, their benefits are on average lower than men’s. EI benefits are a fixed proportion of wages (up to 55\%) and women earn only 89 cents for every dollar men make. Low-income workers, particularly women and those from racialized communities, have reduced access to maternity, parental and sick leave for the same reasons. Low income often precludes these workers from taking these types of EI benefits because they simply cannot afford to.

During the pandemic, the federal government implemented several measures to temporarily strengthen and broaden the EI program, including establishing a minimum benefit of $500 per week, extending the maximum period one could receive EI benefits to 50 weeks (maximum previously ranged from 14 to 45 weeks depending on local unemployment rates), and initially reducing the qualifying hours to 120 hours for both regular and special benefits. These temporary measures, particularly the minimum benefit, contributed to reducing the average weekly EI benefits gap between men and women from $63 to $22. Women’s EI benefits are typically so low that the new minimum benefit increased the weekly EI benefits of 68.8\% of women. While the temporary measures were in place, women constituted 44.6\% of people receiving regular EI benefits (up from 39.2\% prior to the pandemic).\textsuperscript{131} Disaggregated data collection is needed to understand the impacts of the EI program on racialized and immigrant women. The temporary reforms to EI expired on September 24, 2022, signaling the end of pandemic supports to workers.

Workers in the gig economy are not included in the EI system. The failure to classify workers such as meal app delivery drivers as employees have led to their exclusion from regular and special EI benefits.\textsuperscript{132} These issues are especially relevant for marginalized groups such as women and immigrants who are overrepresented among gig workers.\textsuperscript{133}

The federal government has committed to reforming the EI system but has failed to meet its own deadline of introducing a reform bill by summer 2022.\textsuperscript{134} During public consultations in 2022, workers continued to indicate that expanding access to EI benefits is crucial, especially for low-income workers, and that these reforms must be implemented as soon as possible.\textsuperscript{135} Campaign 2000 supports the recommendations that temporary EI measures be re-implemented until access to the program is permanently expanded and benefit levels are substantially increased.\textsuperscript{136}
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 enhancing the new minimum standards to include enforceable standards for pay, working conditions, full-time staffing levels and skills development support;\textsuperscript{137}

- 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, part-time work status 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; significantly boost the 55% benefit rate and the 33% benefit rate for extended parental benefits; permanently introduce a minimum weekly benefit; and make a statutory contribution to the EI Account to help fund improvements and mitigate future economic crisis; and

- Strengthen the federal Employment Equity Act and attach community benefit agreements to all federal infrastructure investments. Implement disaggregated data collection strategy to inform, monitor and evaluate these expenditures to ensure racialized and underrepresented groups have equitable access and benefits.
Early learning and childcare for low-income families must be a high priority as Canada lays the foundation for a universal childcare system

Across Canada, provinces, territories and First Nations, Inuit and Métis governance organizations are in the first stage of implementing a system of universal childcare. The 2021 federal budget provided Canada’s most significant financial and policy commitment to Early Learning and Childcare (ELCC) 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, the Canada-Wide Early Learning and Child Care agreements (CWELCC) include commitments to affordability, accessibility through not-for-profit expansion, quality, inclusion and the childcare workforce - all evidence-based elements of a quality, universal childcare system.

The budget also committed to building on the 2018 Indigenous Early Learning and Child Care Framework’s (IELCC) distinctions-based approach and First Nations, Inuit and Métis frameworks, specifying $2.5 billion over the next five years, increasing by 3% annually beginning in 2027-28.

Key goals for the transformed ELCC system are resolving the childcare workforce crisis, substantial service expansion and affordable parent fees reduced by an average 50 percent in 2022, further reduced to average $10/day parent fees by 2025-26. To begin transformation to a universal childcare system, Canada entered into agreements with each province and territory. Under these agreements, each jurisdiction has developed a first action plan covering 2021-2023.

The 2022 federal budget then committed to a capital funding allocation to support expansion, earmarking, through the new Early Learning and Child Care Infrastructure Fund, $625 million over four years beginning in 2023-24.

The aim is that all families, no matter where they live and whether low-income, newcomers, precarious or workers with non-standard hours or having a child with a disability, will eventually be able to access services that meet parents’ employment needs and ensure enriching opportunities for their children.

The current situation provides 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 to develop and maintain a sufficient supply of quality services through public and non-profit expansion; and dedicated resources for an Indigenous early learning and childcare system led by First Nations, Inuit and Métis Peoples.

The lack of affordable, available, high-quality childcare has been a gap in the country’s social and economic infrastructure. Low-income parents, especially single mothers, have been disadvantaged. As the economy recovers, improved access to affordable childcare is essential to close the gender employment and gender-wage gap for low-income women.
Low-income parents face a complex, daunting situation

There is not enough childcare to meet demand

To expand childcare effectively, priority must be given to ensure affordable non-profit and public services are accessible to low-income and vulnerable families within the emerging universal system. Publicly planned and managed services, not reliance on individuals, community groups or commercial entities, will provide more equitably distributed childcare and avoid “childcare deserts.”

Childcare is still unaffordable for low-income families

Parents are relieved that out-of-pocket childcare costs are starting to come down, but parent user fees, supplemented by individual parent fee subsidies (outside Québec) are still the main source of funding for childcare. Canada’s archaic fee subsidy systems fail to ensure affordability and dignity for the low-income families for whom they are intended and must be replaced by more effective approaches.

The childcare workforce is undervalued and underpaid, and childcare is not reliably high quality

To create the high-quality childcare shown to benefit children, especially those who are low-income or lacking in familial resources, Canada needs more, better spent public funding and more effective public policy to ensure early learning and childcare is delivered by a valued, professional childcare workforce with decent salaries and benefits. Although most of the CWELCC agreements include commitments to an assortment of workforce initiatives, little concrete action has been taken to affect the childcare workforce crisis.

Recommendations

The federal government should:

- Work with provinces/territories to ensure operational funding of childcare programs together with provincially/territorially set parent fees on a sliding ability-to-pay scale, from $0 to a maximum of $10/day;
- Work with provinces/territories to ensure that operational childcare funding factors in wage grids based on decent, fair compensation for staff;
- Convene a Canada-wide process to develop ELCC workforce strategies that address wages and working conditions, credentials and training, career advancement and professional opportunities;
- Require provinces/territories to develop public expansion strategies to ensure sufficient public and non-profit service expansion including equitable coverage in low income, high need and less densely populated communities. This will require enhanced public funding through the ELCC Infrastructure Fund. Attach community benefit agreements to all infrastructure investments;
- 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 community engagement processes, including parents, at all levels of government based on meaningful, valued public participation of a broad range of community members; and
- Honour, fund and fully implement the Indigenous Early Learning and Child Care Framework.
Protecting children’s right to housing

Canada is falling far short of ensuring rights to housing are realized. While the federal government has made significant investments to accelerate new housing construction, it does not ensure everyone will have access to adequate housing. The newly established Federal Housing Advocate has recommended that federal funding be better targeted to address the needs of disadvantaged groups. Targeted action is needed to support low-income families, prevent homelessness and ensure all children have access to adequate housing.

The federal government must adapt the National Housing Strategy to ensure it meets commitments to protect children’s right to adequate housing. The National Right to Housing Network and The Women’s National Housing and Homelessness Network have argued that Canada’s failure to ensure the right to housing for children is in violation of The United Nations Convention on the Rights of the Child (CRC). The CRC, ratified by Canada in 1991, outlines that states have a duty to assist those responsible for caring for children with housing. The National Housing Strategy Act, passed in 2019, enshrined the right to housing for all in Canadian law.

To realize the right to housing, the government must adopt an inclusive definition of homelessness that encompasses the experiences of women, families, children and youth. Homelessness includes hidden homelessness, which can involve living with friends or relatives (i.e., “couch-surfing”), living in unsafe housing due to domestic or gender-based violence or staying in a hotel or other such temporary housing. This form of homelessness is more prevalent among women, gender-diverse people, First Nations, Métis and Inuit Peoples, im/migrants and refugees and young people. Canada must provide affordable housing for low-income families, ensure the interests of the child are considered in all eviction proceedings, and commit to eliminating all forms of homelessness to protect the rights of children.

Recommendations

- Adapt the National Housing Strategy to ensure it meets Canada’s obligations to realize children’s rights to housing outlined in the UN Convention on the Rights of the Child and the National Housing Strategy Act;
- Take immediate action on the commitment to ending homelessness as part of Canada’s international human rights obligations;
- 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;
- Reassess the definition of “chronic homelessness” to capture the experiences of women and gender non-conforming people, im/migrants, refugees, First Nations, Inuit and Métis Peoples and youth; and
- Allocate $20 billion a year in capital funding to the National Housing Co-investment Fund to build a minimum of 100,000 new non-market, non-profit units per year.
Conclusion

The record low poverty rates resulting from emergency pandemic measures show that ending poverty is a choice. The changes to income security measures and other recommendations put forward in this report card are necessary to honour Canada's international human rights obligations, offer an adequate standard of living to all children and families and begin to create equitable conditions for First Nations, Inuit and Métis children, racialized and immigrant children, children with disabilities and children in all marginalized communities. The positive gains of 2020 should be celebrated, but progress will be reversed without immediate further action. Governments showed that making the policy choices necessary to end child and family poverty is a possibility. Now, it must become a reality.
Acknowledgements

Campaign 2000 thanks the following organizations for their financial support: Congregation of Notre Dame Visitation Province Inc., MacFeeters Family Fund, Ontario English Catholic Teachers’ Association, Sisters of Saint Martha, United Way of Greater Toronto.

Many thanks to our most dedicated Steering Committee members, the national, provincial, territorial, and community partner organizations who make up the coalition, all provincial and territorial report card writers, as well as our many volunteers, individual and organizational supporters.

Special thanks to Assembly of First Nations, Canadian Centre for Policy Alternatives, Canadians for Tax Fairness, Childcare Research and Resource Unit, Colour of Poverty-Colour of Change, Good Jobs for All Coalition and National Association of Friendship Centres for generous research support. We thank the families, parents, children, youth leaders and advocates who shared their personal stories and insights with Campaign 2000 from across the country.

We also thank Family Service Toronto, our generous host and an anchor agency of United Way Greater Toronto, for ongoing support.

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 http://www.campaign2000.ca for more information, to download our publications and to become a member. For hard copies of publications, call 416-595-9230 x250.

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Publication: Campaign 2000

ISBN: 978-0-9689631-3-5

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Annex 1

List of temporary pandemic benefits available from the governments (federal and provincial) during COVID-19 in 2020 included in calculations in this report card. Some were taxable and others were not. The list of provincial benefits is not exhaustive.

Included in government transfers (taxable)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Emergency Recovery Benefit</td>
<td></td>
</tr>
<tr>
<td>Canada Emergency Student Benefit</td>
<td></td>
</tr>
<tr>
<td>Canada Recovery Caregiver Benefit</td>
<td></td>
</tr>
<tr>
<td>Net Canada Recovery Benefit - CRB less repayments</td>
<td>Taxable amounts included in line 13000 of the T1 Form (other income).</td>
</tr>
<tr>
<td>Canada Recovery Sickness Benefit</td>
<td></td>
</tr>
<tr>
<td>Provincial/Territorial COVID-19 financial assistance payments</td>
<td></td>
</tr>
</tbody>
</table>

Included in provincial refundable tax credits (non-taxable)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba Seniors Economic Recovery Credit</td>
<td></td>
</tr>
<tr>
<td>Ontario Support for Families</td>
<td>This list of provincial non-taxable benefits derived during the T1FF processing is not exhaustive.</td>
</tr>
<tr>
<td>BC Emergency Benefit for Workers</td>
<td></td>
</tr>
<tr>
<td>BC Seniors supplement Covid enhancement</td>
<td>Some COVID-related benefits were not estimated due to a lack of information.</td>
</tr>
<tr>
<td>Ontario GAINS Covid Enhancement</td>
<td></td>
</tr>
<tr>
<td>One-time climate action tax credit increase (BC)</td>
<td></td>
</tr>
<tr>
<td>One-time tax-free payment for disabled individuals and parents of disabled children</td>
<td>This amount is non-taxable and is not attached to a specific benefit. It is paid-out to individuals with a Disability Tax Credit Certificate and/or to individuals who are in care of children with disability.</td>
</tr>
<tr>
<td>Included in old age security benefit (non-taxable)</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>One-time tax-free payment for OAS recipients</strong></td>
<td>While the OAS is a taxable benefit, this one-time payment is tax-free.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Included in net federal supplement (Guaranteed Income Supplement) (non-taxable)</th>
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<tbody>
<tr>
<td><strong>One-time tax-free payment for GIS/Allowance recipients</strong></td>
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</table>

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<tr>
<th>Included in federal child benefits (Canada Child Benefit) (non-taxable)</th>
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<tbody>
<tr>
<td><strong>One-time CCB COVID payment</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Included in GST credits (Goods and Services Tax) (non-taxable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-time GST Credit COVID payment</strong></td>
</tr>
</tbody>
</table>
Endnotes


5 Ibid.


13 Ibid.


20 Office of the Parliamentary Budget Officer. (2022, June 8). *The impact of the Canada Emergency Response Benefits and three Canada Recovery Benefits on the Canada Child Benefit Program*. https://distribution-a617274656661637473.pbo-dpb.ca/db11e59d66b1cb9e3f31f41d0194f3dd6de8bea66eba2091d702330b5d636a


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