

PEI Child Poverty Report Card

February 14, 2023

For Immediate Release

The 2022 PEI Child and Family Report Card released on February 14 notes that there has been a sizeable decline in poverty in the province from 2019-2020, due in large part to temporary COVID-19 recovery supports given mainly to workers. On PEI, the child poverty rate was reduced from 18.4% in 2019 to 14.1% in 2020, a drop of 4.3% percentage points, the lowest in 20 years. Working age low-income people - 18 to 64 - saw their poverty reduced from 16.6% to 13.1%, a drop of 3.6% the lowest since 2006. The national child poverty rate would have been nearly 21% without those supports.

Another surprising story was that Islanders ages 65 and over experienced a 0.2% increase in their poverty rate making it the highest rate since 2000. The poverty rate for people age 65 and over is 16.3% while the rate for non-immigrant seniors is 19.6% according to 2021 data.

The 2020 data points to a sizable discrepancy in poverty rates between immigrants, racialized minorities, and non-immigrants. For immigrant children the rate is 36.8% compared to non-immigrant children at 14.1%. Immigrant worker poverty is 20.6% compared to non-immigrant workers at 8.8%.

The depth of poverty experienced by many low-income Islanders decreased by over \$1000 in all family types in 2020. Lone parents with two children had the biggest depth of poverty reduction at \$1,934 but remain in deep poverty to the tune of \$7,608. Couples with two children had the least reduction in their depth of poverty at \$1,394, leaving them with a depth of poverty of \$10,194.

Indigenous poverty decreased on PEI from 2019 to 2020 but stood at 28.5% of low-income children who identified as first nations. The non-indigenous rate was 10.8%. For racialized Islanders, there was a discrepancy in all ages except seniors. Racialized youth had a low-income rate of 35.6% compared to non-racialized, a difference of 21.3%. The discrepancy among workers is similar. Racialized and indigenous poverty must be reduced, as do refugees and immigrants who need more government supports. There are many services on PEI that help to alleviate poverty, but few work on its root causes. This needs to change. Structural causes need to be addressed. Fairer taxes, such as closing taxation loopholes, can raise revenues to fight poverty. Overseas tax havens cost Canadians \$9 billion annually through loopholes enabling the wealthy to avoid taxes. A strong social safety net has helped Nordic countries to achieve much more successful poverty eradication than PEI and Canada. In PEI, universal healthcare helps prevent poverty, more than we realize. Public transportation improvements such as the \$2.00 bus fares around the province are good examples of ways a safety net can ease burdens.

The PEI Coalition for Poverty Eradication and the MacKillop Centre for Social Justice, agree with Campaign 2000's recommendations in its 2022 Child and Family Poverty Report Card. PEI can help eradicate poverty through improvements in: public healthcare delivery, but not privatization; universal Pharmacare; public housing and tenant protections; more income security; decent jobs with livable incomes; and increased social assistance allowances. The PEI Department of Social Development and Housing must stop clawing back CERB benefits received by people on social assistance.

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