

CAMPAIGN 2000
END CHILD & FAMILY POVERTY

CAMPAGNE 2000
METTONS FIN À LA PAUVRETÉ
DES ENFANTS ET DES FAMILLES

**Pre-Budget Submission in Advance of the Fall 2025 Budget, House of Commons Standing Committee
on Finance**

July 31, 2025

Prepared by Campaign 2000
c/o Family Service Toronto
355 Church Street, Toronto ON M5B 0B2

647.393.1097
leilasa@familyserVICetoronto.org
www.campaign2000.ca & www.familyserVICetoronto.org

Recommendations

1. Build an Income Security System that Enables Children, Individuals, and Families to Thrive

- a. Create a new End Child Poverty supplement to the CCB (CCB-EndPov) targeted to children in deep poverty as detailed in the forthcoming Alternative Federal Budget 2026 (\$5.3B).
- b. Expand eligibility of the Canada Child Benefit to children whose parents have precarious immigration status by repealing s.122.6(e) of the Income Tax Act that ties eligibility for the CCB to immigration status (\$160M).
- c. Remove barriers to CCB access for children in customary care, kinship and informal arrangements, which would significantly support Indigenous families.
- d. Double the Children's Disability Benefit, create a caregivers benefit for families caring for children with disabilities and begin collecting statistics on the poverty rate of children with disabilities.
- e. Increase the annual amount of and expand eligibility for the Canada Disability Benefit, enable 'stacking' with other income benefits.
- f. Remove growth restrictions and add binding conditions to the Canada Social Transfer (\$2B).
- g. Remove the eligibility requirement of earned income as an eligibility requirement for the Canada Workers Benefit to ensure those with the lowest or no earned income receive support.
- h. Restructure both the Guaranteed Income Supplement and the Canada Child Benefit so that they reduce quicker for high income earners, redirecting resources to support those in low income.
- i. Retire CERB debt and immediately cease pursuing people for repayment. Appeals have been clogging up the federal court system and draining public and individual resources.
- j. Create a parallel cash transfer system for marginalized non-tax filers outside of the personal income tax system (\$100M).

2. Advance the Canada-Wide Early Learning and Child Care Program (CWELC)

- a. Standardize a \$0-\$10/day child care model.
- b. Invest in new Early Learning and Child Care Workforce funds over five years, transferable to provinces and territories if/once they have developed. Funds must be restricted to spending for a Child Care Wage Grid and Child Care Pension and Benefits Plan (\$10B).
- c. Boost the existing Early Learning and Child Care Infrastructure Fund to fund the creation of early learning and child care and school-age child care programs in publicly owned facilities (\$15B over 5 years).

3. Realize the Right to Housing for Children and Youth

- a. Significantly increase investments in non-market housing to ensure stable, affordable homes for families.

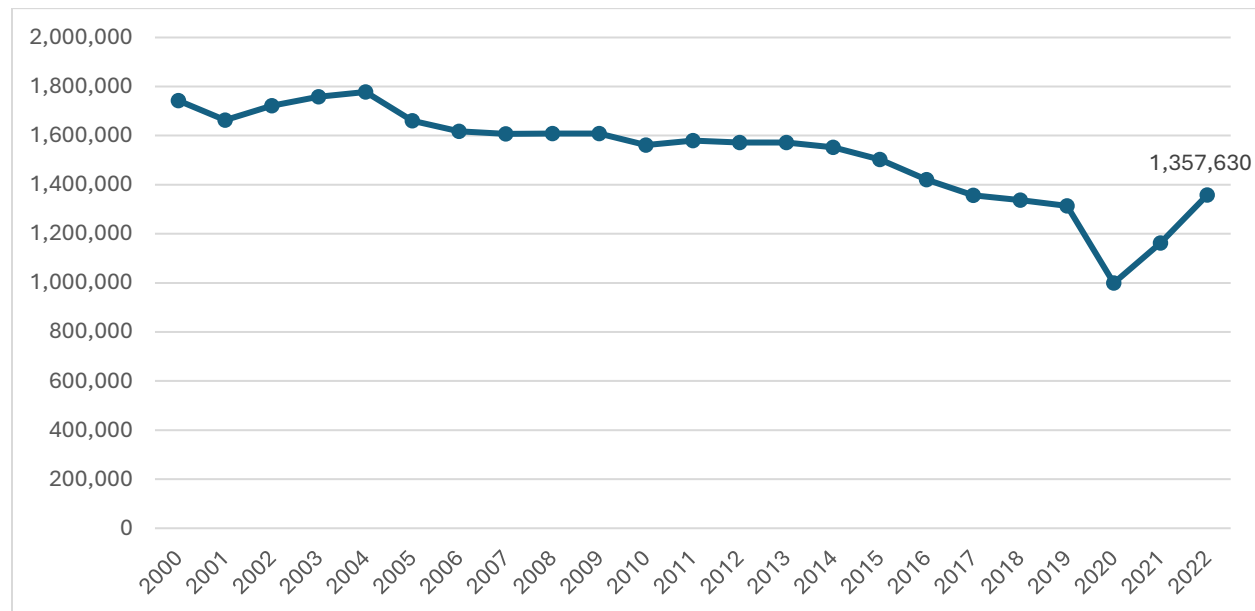
4. Establish Universal Pharmacare and Mental Health Support

- a. Implement a comprehensive, single payer pharmacare system (\$3.5B annually).
- b. Invest in a dedicated mental health transfer to expand access to high quality, culturally appropriate, trauma-informed and community-based health care.

Background

Poverty in Canada has been growing at alarming rates since the pandemic. Campaign 2000's latest report card on child and family poverty in Canada, released November 18, 2024, found an **unprecedented 5 percentage point increase in the rates of child poverty** between the years 2020 and 2022 – that means 358,520 children under 18 fell into poverty during that time. Nearly 1.4 million children (18.1%) lived in poverty in 2022, more than the number of children who lived in poverty prior to the pandemic.¹

Number of children living in poverty in Canada, under 18, 2000 to 2022



Source: Statistics Canada. (2024). T1 Family File. Table 11-10-0018-0 - After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

Poverty rates vary significantly depending on socio-demographic status, with groups who face systemic marginalization experiencing disproportionately higher child poverty rates, including First Nations, Inuit and Métis, immigrant and newcomers, racialized, 2SLGBTQI+, those with complex needs or disabilities, and those growing up in lone mother-led families. For example, First Nations children who live on reserve had a child poverty rate of 37.4%², children who recently arrived to Canada had a poverty rate of

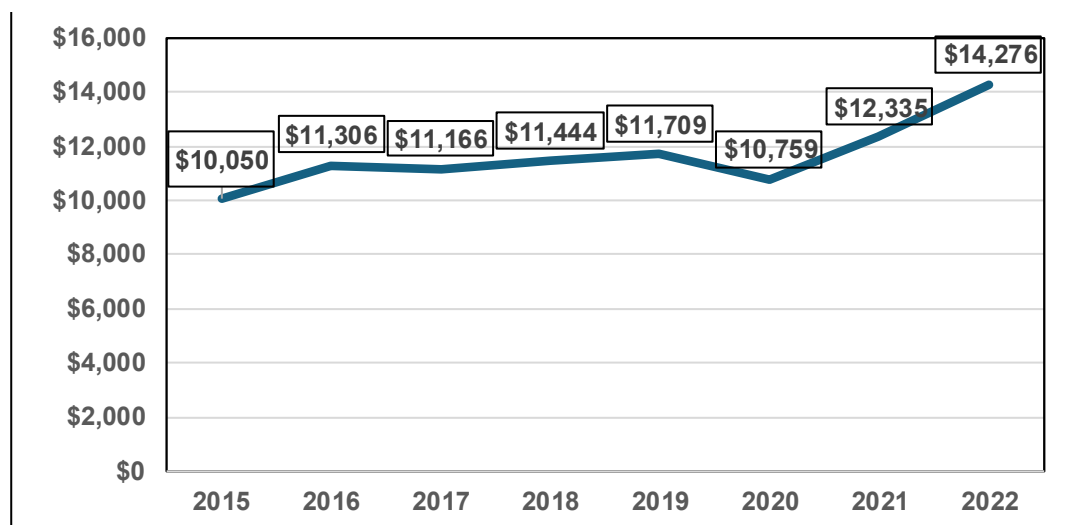
¹ The poverty measure used by Campaign 2000 is the Census Family Low Income Measure, After Tax (CFLIM-AT) calculated using the T1 Family File tax filer data, 2022.

² Statistics Canada. (2022.) Census 2021. Table 98-10-0283-01 - Individual low-income status by Indigenous identity and residence by Indigenous geography.

21.8%³, and children in lone-parent families, the majority of which are female-led had a poverty rate of 32.4%.⁴

Not only were more children living in poverty, but they were also living in families who had less income to meet their needs than in years prior. **On average, families were \$14,276 below the low-income threshold in 2022.** This was an increase of \$4,266 from 2015 when the gap was \$10,050.

Average depth of poverty for all family types, 2015-2022



Source: Statistics Canada. (2024). T1 Family File. Table 11-10-0018-0 - After-tax low income status of tax filers and dependants based on Census Family Low Income Measure (CFLIM-AT), by family type and family type composition.

Lone-parent families experienced the largest poverty gap in 2022. For a lone parent with two children, the poverty gap was \$15,745. On April 1, 2022, the federal minimum wage rose to \$15.55 per hour. At that hourly wage, a lone parent would have had to have worked an additional 1,012 hours without payroll deductions, to close the gap and bring the family up to the low income threshold of \$44,025.

Social and disability assistance programs vary across provinces and territories and are grossly inadequate. Yet the number of families relying on social assistance to meet day-to-day needs remains high. According to tax filer data, 1.6 million families reported social assistance as an income source in 2022. Of family types, lone parent families rely on social assistance programs the most: **20.1%, or one in five lone-parent families received social assistance in 2022**, compared to couple families at 4.9%.⁵

As incomes erode and poverty deepens, inequality is widening. Incomes and wealth are growing for those in the highest deciles. **The after-tax average income for families with children in the top decile**

³ Statistics Canada. (2022.) Census 2021. Table 98-10-0314-01 - Individual low-income status by immigrant status and period of immigration.

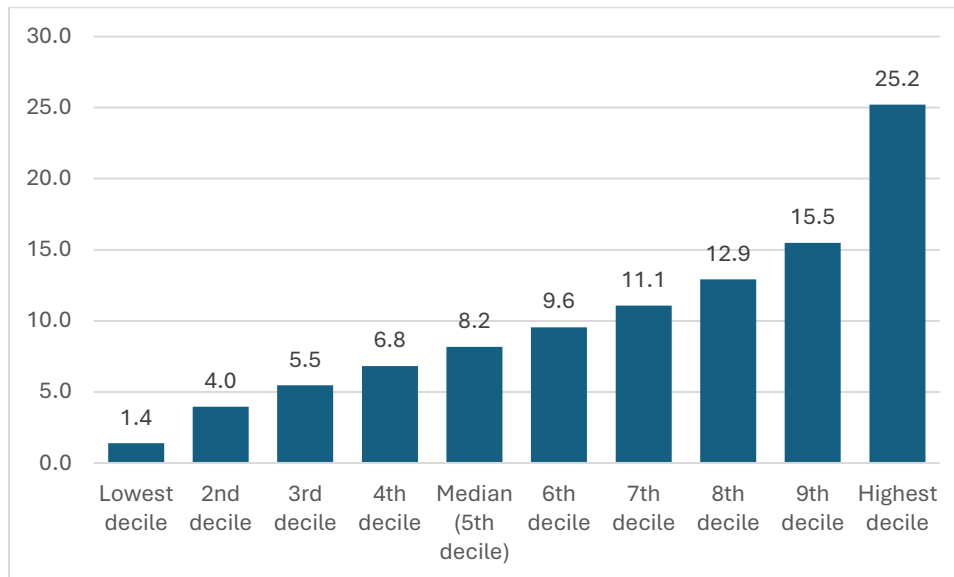
⁴ Statistics Canada. (2024). T1 Family File. Table 11-10-0020-01 After-tax low income status of census families based on Census Family Low Income Measure (CFLIM-AT), by family type and family composition.

⁵ Statistics Canada. (2024). T1 Family File. Table: 11-10-0014-01 Sources of income by census family type, 2000 – 2022.

was \$274,992 in 2022, 18 times higher than the average income in the bottom 10% (\$15,128).⁶

Female-led lone-parent households had a lower average income compared to male-led lone parent families across all deciles. Lone parent families had a substantively lower average income than couple families accounting for the decreased potential additional earner.⁷

Percent share of after-tax income by decile for families with children under 18, 2022



Source: Statistics Canada. (2024). T1 Family File, Custom Tabulation.

Families with children in the highest decile held 25.2% share of after-tax income which equaled the share of income of the bottom 50% of families combined. Families with children in the lowest decile held only 1.4% of after-tax income. Income inequality had decreased in 2020 due to federal pandemic emergency measures raising the floor of the lowest income earners; however, by 2022, income inequality returned to pre-pandemic levels.⁸

The rise of rates and depth of poverty is a significant concern as the cost of living has continued skyrocketed. Food and housing prices continue to grow at faster rates than overall inflation.⁹ Nearly half of Canadians have reported having difficulties meeting day-to-day expenses because of rising costs.¹⁰ Although higher costs affect everyone, individuals and families in low income spend a much greater share of their income on basic needs. At the same time, high growth in compensation and interest

⁶ Statistics Canada. (2024). T1 Family File, Custom Tabulation.

⁷ Ibid.

⁸ Statistics Canada. (2023 and 2024). T1 Family File, Custom Tabulation.

⁹ Statistics Canada, "Chart 2: Transportation prices contribute the most to the slowdown in headline inflation, due largely to lower gasoline prices," *The Daily*, May 20, 2025, <https://www150.statcan.gc.ca/n1/daily-quotidien/250520/cg-a002-eng.htm>

¹⁰ Statistics Canada, "Nearly Half of Canadians Report That Rising Prices Are Greatly Impacting Their Ability to Meet Day-to-Day Expenses," *The Daily*, August 15, 2024, <https://www150.statcan.gc.ca/n1/daily-quotidien/240815/dq240815b-eng.htm>

earned from investments has led to market incomes that grew three times faster on average for the top two quintiles than those in the lowest two.¹¹

Canada is at a critical moment in time. There is a confluence of significant threats – the affordability crisis, increasing and unpredictable tariffs affecting industries and employment, and deepening social divides characterized by a rise of discrimination and hate. Building a strong economy and a country that can withstand these challenges must hinge on building resilient communities and fostering societal unity.

When people have access to basic needs like housing, childcare, healthy food, clean water, and healthcare, they are more likely to contribute to the economy through training, employment and consumer spending while reducing strains on emergency services. Much research has demonstrated providing income security and stable housing leads to lower public costs in areas including healthcare, social services, and the justice system.

Addressing poverty and systemic marginalization helps break intergenerational cycles, improves educational outcomes, enhances public health and strengthens community wellbeing. When everyone can live with dignity and access opportunities, unity is fostered. Ending poverty and inequality is an investment into economic stability and wellbeing for all.

Campaign 2000: End Child and Family Poverty is a diverse pan-Canadian coalition of over 120 organizations working to end child and family poverty. We are generously hosted by Family Service Toronto, a large multi-service organization serving the Toronto area. For more information, please visit www.familyservicetoronto.org and www.campaign2000.ca.

¹¹ Office of the Parliamentary Budget Officer, *A Distributional Analysis of the Purchasing Power of Canadian Households Since 2019*, October 8, 2024, <https://distribution-a617274656661637473.pbo-dpb.ca/6edb20c1acaacc6cdcdfae3d8cd266902d19d6592d3d3292b2543848006d92d3>