Campaign 2000
END CHILD AND FAMILY POVERTY IN CANADA

CANADA’S REAL ECONOMIC ACTION PLAN BEGINS WITH POVERTY ERADICATION

2013 Report Card on Child and Family Poverty in Canada

FAMILY SERVICE TORONTO
For People. For Change.

Campaign 2000 is hosted by Family Service Toronto, a United Way Agency
More than two decades have passed since the House of Commons’ unanimous resolution “to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000” and four years after the entire House of Commons voted to “develop an immediate plan to end poverty for all in Canada.” Neither the promised poverty elimination nor plans have materialized.

House of Commons’ unanimous resolutions, November 24, 1989 & 2009

Nearly 1 in 7 children still lives in poverty!

As we approach 25 years since all Parliamentarians committed to ending child poverty in Canada, there are compelling reasons for the federal government to take leadership.

First, it’s the right thing to do for children and for all of us, including for our seniors, our indigenous communities, our newcomers, our people with disabilities, our lone parents and our racialized communities – all of whom are at a much greater risk of living in poverty. Canada has also committed to upholding the Convention on the Rights of the Child and other international agreements and needs to act on these responsibilities.

Second, child poverty is expensive. It is a great cost to all of us. Twenty per cent of health care spending goes to care for diseases that can be attributed to low income and poor housing. Child poverty produces disease throughout the life cycle, impairs educational attainment and presages employment vulnerability. The Canadian Medical Association recently recommended that all governments give top priority to developing an action plan to eliminate poverty in Canada.

Third, we know what needs to be done – in the last decade we’ve benefited from numerous reports outlining what’s needed to reduce and eventually eradicate poverty. Quantitative and qualitative data from governments, academics and nongovernmental organizations, and insights from people with lived experiences of poverty all have recommended that federal leadership is needed to spearhead sustained action. The provinces have stepped up to the plate, taken the initiative and shown some success, but there is a significant role for the Government of Canada.

Fourth, Canada has the fiscal capacity to act. The projected $10 billion surplus by 2018-19 shows that money is not lacking. What may be lacking is political will to act and willingness to act on the evidence.

Now it’s time for the federal government to take its rightful place. If the costs of poverty are ignored, this constitutes nothing less than mismanagement of the economy for which we will all continue to pay in financial and other costs.
Recommendations

Campaign 2000, through its diverse pan-Canadian network of partners, recommends:

- The Government of Canada introduce a federal action plan with targets and time lines to reduce and eradicate poverty in consultation with provincial and territorial governments, Aboriginal governments and organizations, non-governmental organizations and people living in poverty. Secured in legislation, this plan should identify key roles for all levels of government and recognize the particularities of how Québec pursues social policy in the Canadian context. Seven provinces have introduced poverty reduction strategies or plans, and it is time for the federal government to do its share.

- An enhanced child benefit for low-income families to a maximum of $5,400 per child (2013 dollars, indexed to inflation) by streamlining support to families through the taxation and transfer systems. To achieve one larger child benefit that would be paid to all eligible families and would assist in poverty reduction, we propose that the Universal Child Care Benefit (UCCB) be absorbed into the NCB and be eliminated as a separate payment and that the resources now directed to the Child Tax Credit and the Child Fitness Tax Credit be included in the new, larger NCB. This approach would bring the child poverty rate down by 15% and lift 174,000 children out of poverty at a modest additional cost of $174 Million.

- Building a public system of high quality early childhood education and child care (ECEC) services that are affordable and available to all children (0–12 years). Federal spending on ECEC should reach at least 1% of GDP by the end of ten years, starting with $1.3 billion in new, earmarked transfer payments to the provinces for publicly managed, non-profit and publicly owned and publicly funded ECEC services.

- Restored and expanded access, duration and benefit levels of Employment Insurance.

- The Government of Canada implement the additional $253 million annual allocation for the Affordable Housing Initiative announced in Budget 2013 as a down payment toward a long-term national housing strategy reflecting the needs of local communities and Canada Mortgage and Housing Corporation (CMHC) must reverse the trend of decreasing investment in affordable housing by increasing annual allocations for capital and maintenance as social housing operating agreements expire.

- Proactive strategies, including employment equity in the public and private sectors, and a sensible training strategy accessible to those not on EI to level the employment playing field for racialized communities and other historically disadvantaged groups.

- A poverty eradication strategy developed in coordination with First Nations and urban Aboriginal communities which begins with immediate increases to funding for First Nations child welfare services, education and Aboriginal friendship centres and a negotiation process for all parties to improve the proposed First Nations Education Act.

- The federal government work with the provinces to provide adequate public funding for post-secondary education including increased availability of needs-based grants for students from low- and middle-income families and restoration of the Post-Secondary Student Support Program (PSSSP) to the pre-1992 funding formula to ensure that Aboriginal communities have adequate funding to support all candidates looking to pursue post-secondary education.

- Addressing growing income inequality by restoring fairness to the personal taxation system. Restoring a series of progressive marginal tax brackets can increase funds available to support public services used by all Canadians, while re-introducing the principle of taxation based on ability to pay.
Federal Leadership Is Required – High Rates of Child Poverty Persist

“Canada cannot and need not allow yet another generation of Indigenous citizens to languish in poverty. Poverty is neither inevitable nor immutable. Transformative change is clearly possible, desirable and required. It is a question of will on the part of all Canadians.”

Poverty or Prosperity, CCPA and Save the Children Canada, June 2013

The most recent statistics indicate that 967,000 children – 1 in 7 children - still lives in poverty, down very slightly from 979,000 in 2010. More children and their families live in poverty as of 2011 than they did in 1989 when the House of Commons unanimously resolved to end child poverty in Canada by the year 2000. The small decreases in the rate of child poverty since the 2008 recession do not reflect the situation for too many families who are struggling to meet their basic needs. In this period of slow economic growth, families continue to experience economic instability, with four out of five jobs created since the economic crisis classified as temporary. Food security among families is highly critical with 1.1 million children experiencing food insecurity, a situation of inadequate or insecure access to food because of financial constraints, and children represent 36% of food bank users in Canada.

It is most disturbing that 4 in 10 of Canada’s indigenous children live in poverty. A new and incisive analysis released by the Canadian Centre for Policy Alternatives and Save the Children Canada reveals that 40% of Canada’s indigenous children live in poverty according to the 2006 census. Indigenous children include Métis, Inuit, non-status First Nations who live off-reserve and status First Nations children who live on reserves, also known as First Nations communities. In the First Nations communities where the federal government has the major role in funding income support and services, 1 out of 2 status First Nations children lives in poverty.

Chart 1: Poverty Rates for Children in Low-Income Families in Canada: 1989 - 2011

Source: Statistics Canada. Table 202-0802 - Persons in low income families, annual, CANSIM (database), June 2013.
While Canada does not have an official “poverty line”, Statistics Canada produces several measures of low income, including the Low Income Cut Off (LICO) Before Tax and After Tax, the Market Basket Measure (MBM) and the Low Income Measure (LIM) Before and After Tax. Each measure has strengths, but in this report Campaign 2000 has chosen to use the LIM After Tax rather than a suite of low income measures.

The LIM is a relative measure of poverty that is based solely on the distribution of household income. LIM is a fixed percentage (50%) of median adjusted household income which takes into account the size of the household. The 2011 LIM After-Tax for one parent with one child is $28,185. LIM is a comprehensive measure of low income which takes into account social exclusion, stress related to social comparisons and exposure to stressful environments and material deprivation. It is also the most commonly used low income measure when making international comparisons and the most strongly related of the measures to health status.

LICOs are a semi-relative measure based on the relationship between 1992 household incomes and consumption patterns (incomes of families 20% above average percentage of expenditures on food, shelter and clothing adjusted for family and community size). MBM’s are a measure of material deprivation, based on the cost of a specific basket of goods and services representing a modest, basic standard of living. To understand poverty in selected demographic groups, including racialized, Aboriginal, immigrant and disability communities over time, the census through 2006 had been the only reliable source. Unfortunately, in 2010 the federal government cancelled the Long Form Census and replaced it with the voluntary National Household Survey.

The recent release of data from this survey indicates low response levels among low income people, leaving Campaign 2000 and many others concerned about the validity and reliability of data on poverty especially among vulnerable groups and for smaller regions of the country. The lack of robust data makes it more difficult to track poverty rates among select social groups over time. Sample sizes already present problems in Canada’s smaller provinces and even more so in the territories where obtaining reliable data that reflects the depth and breadth of poverty is challenging. Campaign 2000 calls for the Long Form census or a similarly reliable data source to be re-introduced so we can continue to track effectively the child and family poverty rates particularly among selected social groups.
Factsheet #3

Canada’s Child Poverty Rate is Still Shamefully High

A Child Specific Deprivation Index

UNICEF criteria state that children who live in poverty lack 2 or more of the 14 items listed. Because Canada does not have a child specific deprivation index, some researchers have recently drawn from the general deprivation index to make some very limited comparisons. From this data, Canada ranks in the bottom third (24/35) with a relative child poverty rate of 13.3%.

1. Three meals a day
2. At least one meal a day with meat, chicken or fish or a vegetarian equivalent
3. Fresh fruit and vegetables every day
4. Books suitable for the child’s age and knowledge level
5. Outdoor leisure equipment (bicycle, roller-skates etc.)
6. Regular leisure activities (swimming, playing an instrument, participating in youth organizations etc.)
7. Indoor games (at least one per child, including educational baby toys, building blocks, board games, computer games etc.)
8. Money to participate in school trips and events
9. A quiet place with enough room and light to do homework
10. An internet connection
11. Some new clothes (i.e. not all second-hand)
12. Two pairs of properly fitting shoes (including at least one pair of all-weather shoes)
13. The opportunity, from time to time, to invite friends home to play and eat
14. The opportunity to celebrate special occasions such as birthdays, name days, religious events, etc.

Chart 3: Child Poverty in Rich Nations

Canada, like Australia, has received steady “C”s since the 1980s for its child poverty rate. There have been numerous international studies comparing rates of child poverty in OECD and other more industrialized countries over the years. Canada’s child poverty rate, based on 2009 statistics, is 13.3%, at a shameful 24th place out of 35 OECD nations. UNICEF and the Conference Board of Canada have also been urging countries, including Canada, that Governments have a responsibility to fulfill the commitment in the UN Convention on the Rights of the Child to give children ‘first call’ on public attention and resources.

Four Nordic countries have been consistent “A” performers—Denmark, Finland, Norway, and Sweden. The U.S. has been the only consistent “D” performer. Case after case shows that countries that have reduced poverty rates have turned away from passive, benefits-only poverty reduction approaches in favour of national anti-poverty strategies that incorporate a number of effective social policies that integrate strategies across governments, departments, and service providers to reduce poverty and increase self-sufficiency. These would include: funding jobs training, providing child care and introducing tax incentives for lower-paid-workers.
Improving Incomes for Families with Children

To prevent families from falling into poverty and also to support other families in their efforts to lift themselves out of poverty, Canada needs a two-track approach: strengthening the public policies that have a direct impact on family incomes and improving the labour market opportunities for parents. Together these strategies build on the government of Canada’s central role in managing the economy and its historic leadership in creating and sustaining a resilient social safety net.

Parents with dual roles as breadwinners and caregivers require the necessary supports to achieve a situation of decency and dignity for their families. Labour markets do not distinguish between workers who are parents and those who are not, but public policies that recognize the value of child-rearing and help to reduce poverty can make a significant difference.

Strengthened Public Policies: the Case for Raising the National Child Benefit to $5,400

A full child benefit of $5,400 (2013 dollars, indexed to inflation) coupled with fair minimum wages are needed to achieve a substantial reduction of child and family poverty. The Canada Child Tax Benefit (CCTB) and National Child Benefit Supplement (NCBS) for low- and modest-income families, a joint federal, provincial and territorial initiative launched in 1998, has played an important role in preventing and reducing child and family poverty.17 Currently, eligible families can receive up to the maximum combined CCTB/NCB annual payment of $3,654. The child benefit (CCTB/NCB) is paid monthly to eligible families and is non-taxable, non-refundable, and is based on the previous year’s family net income according to one’s tax return.

It is important to note that the child benefit is progressive; those with lower incomes receive a larger benefit while those with higher incomes receive a lower benefit. In a sense, the CCTB/NCB begins to address the inequality that many families face. In 2013 eligible families with net incomes of up to $25,356 received the maximum CCTB/NCB while families in the net income range of $25,356 to $43,561 may receive the full CCTB and part of the NCB.18 At higher net incomes families may receive some portion of the CCTB.

Many families tell Campaign 2000 that the benefit helps to pay rent or utilities or buy food and essential health supplies. The lack of affordable housing, particularly in cities, means that families must settle for housing they cannot afford, and the lack of full-time work that many part-timers are seeking but cannot find means that many families struggle to balance their budgets.

The CCTB/NCB has a good track record of contributing to lower child poverty rates. Research on the impact of the CCTB/NCB shows that in 2006 alone, the NCB was responsible for preventing 61,900 families with 151,700 children from living in poverty.19 The benefit level, while indexed annually, however, has not been increased since 2007. To retain its important preventive and poverty reduction goals, the NCB needs to be increased to a maximum of $5,400. This enhanced benefit, when coupled with full-time work at $12.50 per hour, would enable a lone parent with one child to lift her family out of poverty.
In 2012 Campaign 2000 commissioned a simulation to model the impact of a maximum child benefit of $5,400 paid to low and modest-income families with children across Canada currently receiving the NCB.\(^{20}\)

**Achieving the $5,400 Child Benefit through Smart Spending**

Currently the government of Canada provides a range of measures in the personal income tax system that recognizes and supports various child-rearing responsibilities. The CCTB/NCB is the largest measure, assisting an estimated 90% of children in Canada. The Universal Child Benefit (UCCB), a monthly allowance of $100 for each child under 6 years, is taxable on the lowest income earners. This benefit is a cash transfer and has no direct link to childcare services nor does it begin to meet the cost of childcare. Families may also access the non-refundable child tax credit which provides an annual federal income tax reduction worth $300 to most families with children excepting those with low incomes, and the Child Fitness Tax Credit (2007) available for eligible expenses up to $500 per year for children under 16.

Recent research confirms that the Child Fitness Tax Credit (CFTC) does not benefit most low-income families who do not pay taxes and does benefit higher income families who are more likely to be able to afford the up-front costs and to claim these tax credits. According to this analysis of taxfiler data, the average income of families claiming the credit was approximately $115,000. Researchers would like to see the tax credit used by families across the income spectrum; they recommend that the credit be made available to those who do not pay income tax.\(^{21}\)

A recent review of the UCCB, initially billed as providing “more choice in childcare”, examined demographic, financial and childcare data and determined that the UCCB did not provide nor strengthen childcare options for parents despite an annual expenditure of $2.5 billion since 2006. Those funds could have been used to fund regulated childcare spaces which are public infrastructure available to families over time and to enhance the CCTB/NCB.\(^{22}\)

Campaign 2000 is proposing that the Government of Canada streamline the way it supports families through the tax system to achieve one larger child benefit that would be paid to all eligible families and would assist in poverty reduction. Specifically we propose that the UCCB be absorbed into the NCB and be eliminated as a separate payment and that the resources now directed to the Child Tax Credit and the Child Fitness Tax Credit be included in the new, larger NCB. This would significantly enhance the target efficiency of the system. The simulation model estimates that with these adjustments, the additional cost of raising the maximum CCTB/NCB to $5,400 would be $174 million. Campaign 2000 also advises that designated federal funds should be transferred to the provinces and territories for the development of a public system of high quality early childhood education and child care (ECEC) services that are affordable and available to all children (0–12 years).
Factsheet # 5
Public Investments Are Central to Poverty Eradication

The importance of transfer payments in preventing and reducing the rate of child and family poverty is demonstrated in Chart 4. These transfer payments are delivered by both the federal and provincial governments and include both children’s benefits and benefits to other family members including the Goods and Services Tax credit and Employment Insurance.

The impact of the transfer payments has grown over time. In 1989, transfer payments reduced child and family poverty by 6.7 percentage points, in 1999 by 8.4 percentage points and in 2010 by 12 percentage points. The market income poverty rate went up between 2008 and 2010, but transfer payments more than compensated for this and brought the child poverty rate down to 13.6% from 25.6%. Labour market and other policies to promote more equitable income distribution are clearly needed.


Artist: Abirami Arunan
Title: Hidden Face of Poverty
“This labour market resembles a hamster wheel where workers have to run faster to stay in place.”

Economist Erin Weir

Currently, finding work is not an assured pathway out of poverty. Most recent figures show that more than 1 in 3 low-income children had at least one parent working full-time during the year but were still in poverty. The rise in temporary and precarious employment over the last few years has meant that many parents who do find work are increasingly employed in jobs that are part-time, insecure, and do not provide a decent wage or essential benefits. Between 2009 and 2012, the number of Canadians in temporary jobs grew at more than triple the pace of permanent employment. When parents complete those temporary jobs, they are unlikely to be eligible for Employment Insurance (EI) and may have to rely on social assistance, the program of last resort.

Employees in temporary and precarious employment relationships are less likely to receive employee benefits such as health insurance and pensions, often don’t know their work schedules or hours in advance, frequently have unexpected schedule changes, and are more likely to not get paid at all. Employment in some precarious jobs is so unstable that people don’t know if they will have work the following day, next week or next month. Also, as many of these jobs are part-time and low-wage, parents may have to work multiple jobs at one time. The nature of this type of work makes it difficult for workers to schedule child care for their children, budget for household expenses, and spend time with family.

In 2012, about one in four part-time workers in Canada stated that they would prefer to work full-time but that full-time jobs were not available.

“I told my supervisor that my son [needed to go] for a checkup on Monday and I was not sure how it is going to go…which means, I may not be available. All of a sudden the next day they called me and told that the job was no longer available. My friends had the same job and told me that they called him in this morning. You cannot disclose the truth.” ~A parent

A Southern Ontario study on employment precarity and household well-being illustrates the consequences of variable and unpredictable work on workers and their families. A.

- Compared to people with secure employment in the same income category, low- and middle-income households who have insecure employment are twice as likely to report anxiety about work that interferes with personal and family life.
- More than 25% of those in insecure employment living in either low- or middle-income households reported difficulty in finding child care compared to less than 15% of those in secure employment.
- Compared to people with secure employment in the same income category, people in insecure employment are more likely to find it difficult to make ends meet or to run out of money to buy food.
Factsheet #7
Youth Continue to Face Uncertainty

“Student debt loads have never been higher. . . people are graduating with $30,000 in student loans on top of $5,000 in credit card debt. . . the result is that many students fall into a hole they can’t easily climb out of.”
Laurie Campbell, Executive Director, Credit Canada

As Canada’s youth face the future, the challenges of economic independence, family formation and good health are significant. Young people 15 – 24 years are a smaller group of our population at 13% in 2011, down considerably from 19% in 1971, yet their contributions are critical to the vibrancy of Canada’s future. Many are more likely to be born outside of Canada or born to immigrant parents than ever before. In a climate of ongoing high rates of youth unemployment which are double the overall rate, youth encounter the high cost of post-secondary education, the prospect of precarious employment in many regions of Canada and a housing market that is increasingly unaffordable for new entrants.

A greater share of young people are better educated and are postponing entry into the labour market, yet they face tremendous financial and lifecourse challenges. A recent study in Southern Ontario found that being in precarious employment has an impact on household well-being mainly in low- and modest-income households. Low- and modest-income workers in insecure jobs – many of whom are youth - are the most likely to postpone having children as a result of their unsure employment situation. Another worrisome societal indicator deserves serious attention: suicide is the leading cause of non-accidental death among youth 15 – 24 and leading cause of death in children and adolescents (10–19 years of age) in First Nations populations.

Education matters in the short and the long term. Youth who do not complete high school are more likely to have lower incomes, be unemployed and to become homeless. While dropout rates in provinces have decreased significantly in the last 30 years, they are still unacceptable high at over 10% in Alberta, Manitoba, Quebec and 50% in Nunavut. Proposed changes to the Canada Jobs Strategy that would remove funding for training for those not on EI would further limit opportunities for those with less education.

Economists across the political spectrum agree that a strong education system at all levels pays dividends to individuals and to our economies. Post-secondary graduates are more likely to be employed and to generate higher earnings. A well-paid population with good jobs gives back to the economy, through work, spending and taxes and avoids the well-documented personal and public effects of poverty. Yet, young workers increasingly are in precarious employment. Involuntary part-time work among young people, one indicator of under-employment, has risen considerably from pre-recession (2007) to 2012 leaving many youth struggling to pay off student debt.

Affordability is a major barrier to post-secondary education for youth of low and moderate incomes. Today, many students are financing their education by taking on debt second only in size to a mortgage. The Canadian Federation of Students (CFS) estimates that the federal student debt is now $15 billion. It’s noteworthy that tuition and other fees account for 50% of university operating funds, up from 20% in 1982. Since 1990, debt owed to government student assistance programs has increased from $10,000 to $25,000 a year on a per-student basis.

Despite Canada’s relative economic stability, today’s young workers, both with and without post-secondary education, find themselves facing uncertain employment prospects in the form of underemployment. Between 1997 and 2011, the percentage of young employees aged 15-30 working in non-permanent jobs rose from 6.9% to 11.6%. Just over half of these employees had completed college or university. The rest were in temporary and/or part-time work (26.2%) or unemployed (6.2%).

A robust strategy to develop good jobs is needed to help address the economic future of Canada’s young people.
Factsheet #8
Income Inequality: The Growing Gap

The average wealthy family with children possessed almost twelve dollars ($11.78) for every dollar the lowest income families with children had in 2011. Clearly, the wealth generated through economic growth and globalization has not been distributed equitably.

The top one percent of income earners in Canada held 10.6% of all income in Canada in 2010.\(^41\)

The average income of the wealthiest families with children soared to $271,224 as the average income of the lowest income families stayed flat at $23,024. Middle class incomes also remained stagnant as inequality worsened significantly over the past decade. Between the mid-1990s and the late 2000s, Canada had the fourth largest increase in income inequality among advanced industrialized countries.\(^42\)

**The growing income gap is of concern for many reasons.** Deep inequality has been correlated with shorter life expectancies, educational and behavioural challenges, hunger and limited access to physical activity among children.\(^43\) It leads to social tensions and begs moral questions about fairness in Canada\(^44\) as the odds of escaping poverty are stacked against low income children and families who gain much less from economic growth than their wealthier counterparts.

A major reason for growing income inequality is that since the early 1990s, tax changes at all levels of government have altered a somewhat progressive tax system into a less progressive one in which high-income Canadians gained the most and inequality was exacerbated.\(^45\) Such tax cuts have squeezed existing services and made it difficult to talk about expanding social programs even though overwhelming evidence shows this could be cost effective and that greater equality often “underpin[s] better economic performance.”\(^46\)

Recent polling has found that 77% of Canadians think that a widening income gap is a big problem for Canada and 83% of Canadians support higher taxes for the top income earners.\(^47\)

Campaign 2000 is alarmed at discussion of further across the board tax cuts, which will increase inequality and make programs to reduce poverty even less affordable.
Since poverty is at the root of all other structural risk factors—substandard housing, substance misuse, and underfunding in education, health services, and child welfare—addressing poverty first will enable the greatest possible change in all areas of structural disadvantage for First Nations children and youth.

First Nations Child and Family Caring Society of Canada, 2013

Canada’s Aboriginal population is young and growing rapidly—more than six times faster than the non-Aboriginal population. Almost half (48%) of Canada’s Aboriginal people are under 25. Increasingly, Aboriginal Canadians are living in urban areas with more than 1 in 4 (26%) in Montreal, Ottawa, Toronto, Winnipeg, Saskatoon, Regina, Calgary, Edmonton and Vancouver.

Indigenous children and their families remain at high risk of poverty in Canada. The umbrella term ‘indigenous’ includes the three primary groups with Aboriginal rights as outlined in Canada’s constitution. They are: First Nations or Indian, Métis and Inuit. First Nations people include those whose legal status is Indian and those who are non-status Indians. It is important to note that only First Nations people with status live on reserve (also known as First Nations’ communities) and are under the regulation of the Indian Act. The federal government is solely responsible for supporting or providing services and income support in First Nations communities.

Métis is defined as a person who self-identifies as a Métis, is distinct from other aboriginal peoples, is of historic Métis Nation ancestry, and is accepted by the Métis Nation. The Métis people were born from the marriages of Cree, Ojibwa and Salteaux women, and the French and Scottish fur traders, beginning in the mid 17th century and later Scandinavian, Irish and English stock was integrated as western Canada was developed. The Inuit are Aboriginal peoples whose ancestors the Thule were hunters and gatherers. Most Inuit people continue to live in the Arctic.

Recent research based on the 2006 census has confirmed that the average child poverty rate for all indigenous children is 40% in contrast to the average child poverty rate for all children at 17%. The status of indigenous children as well as their location is linked to their poverty rate. One in two (50%) of Status First Nations children live in poverty in First Nations communities. In Manitoba and Saskatchewan, both provinces with high proportions of First Nations children, the child poverty rate of First Nations children surpasses 50%. In these communities where the child population is growing rapidly, the federal government is mandated to fund the health care, education, social services, housing and income support programs. The cap of two per cent on transfers from the federal government to First Nations since 1996 has had a distressing effect on the capacity of First Nations communities to meet the needs of their rapidly growing populations.

For status First Nations children, education and child welfare are essential services that have the potential to improve their well-being and long-term economic status significantly. Yet neither system has sufficient physical nor financial resources to meet the needs of the children and families that they serve.
Indigenous Children and Their Families Remain at High Risk of Poverty

The chronic underfunding of First Nations child welfare agencies continues despite a complaint first filed by the First Nations Child and Family Caring Society (Caring Society) and the Assembly of First Nations (AFN) in 2007 against the government of Canada at the Canadian Human Rights Tribunal alleging discrimination in the provision of child and family services in First Nations communities.

First Nations child welfare agencies receive 22% less per capita funding than provincial agencies under a funding formula that has not been reviewed since 1988. With fewer resources, First Nations communities provide less programming and admit children into care earlier and more frequently than children in other communities. In 2007, Aboriginal Affairs and Northern Development Canada (AANDC) in partnership with interested First Nations began funding enhanced prevention services; to date, this approach is in place in six provinces.

After almost seven years of legal wrangling, the Canadian Human Rights Tribunal began hearing this case in 2013. The outcome of this complaint will be significant, indicating the degree to which the Canadian Human Rights Act can be a vehicle for achieving change in First Nations communities.

The number of First Nations children in care in 2010 (27,500) was three times higher than at the height of the residential schools during the 1940s.

The state of public education in First Nations communities requires culturally relevant, community-led reform. The 515 Schools in First Nations communities under federal jurisdiction are held to the same standards as provincially-funded schools yet funding is inequitable. There are no funds for libraries, computers, teacher training, special education, for example.

In addition to the lack of recognition of isolated locations and the intergenerational trauma resulting from residential schools, First Nations schools receive $2000–$3000 less per capita funding. School retention rates, although up slightly, remain low. In 2006, 51% of Aboriginal adults (25 – 34 years) in First Nations communities had not completed high school. Off reserve, the non-completion rate was 29% compared with 10% among the non-Aboriginal population. It is encouraging that Aboriginal students who complete high school do as well as their non-Aboriginal counterparts in post-secondary programs.

As with the general population, Aboriginal incomes increase significantly as education levels rise.

The recent federal government paper “A Proposal for a Bill on First Nations Education” outlines plans for the First Nations Education Act expected to be tabled in early 2014 after feedback has been received. Notably, the paper does not provide additional funding to First Nations schools to help close the gap in funding nor does it address the concerns of many Aboriginal-led organizations seeking design, development and implementation of First Nations education. Campaign 2000 hopes that feedback and negotiations among the relevant parties will result in an improved proposal to reform First Nations education.

Source: http://www.fncaringsociety.com/7-free-ways-make-difference
Canada Still Needs that National Childcare Program…Now More than Ever

Trends and facts 2012

Data and research, media reports and parents’ accounts are in agreement that – in one way or another - Canada is failing to meet the childcare needs of the majority of children and families. Canadian parents are desperate for high quality childcare spaces in all provinces; outside Quebec, they pay sky-high fees.

For-profit operations such as “big-box” firms and chains are on the rise in most provinces/territories. Parents make their way through a “buyer beware” marketplace, with little information and fewer choices as reports of unlicensed—sometimes dangerous—childcare hit the news while quality in regulated childcare is too often mediocre.

Mothers’ labour force participation continues to rise year after year while childcare expansion and growth in public funding have slowed to a crawl. Canada not only has no national childcare system but none of the provinces or territories has yet developed a well-designed integrated system of childcare and early childhood education that meets families’ needs.

The most recent data show that in the last two years, availability of regulated childcare spaces increased only slightly to cover only 22.5% of 0-5 year olds in centres (full and part-day) and 20.5% of 0-12 year olds in all regulated spaces, with much lower coverage for infants and toddlers.

The data show that despite a substantial increase in the birthrate and a 0-4 year old cohort much larger than it has been in many years, growth in regulated childcare continues to be so slow that it is not even keeping up with the increase in the child population. Most families are presumed to rely on unregulated arrangements that are sometimes legal, sometimes not; data detailing this are unavailable.

But space availability alone doesn’t mean that childcare is accessible. To be accessible, fees must be affordable. Data from 2012 show Canada-wide median monthly fees of $761 (infant); $701 (toddler) and $674 (preschooler). However, the medians don’t tell the whole story; Quebec fees are $152/month for all ages.

Low-income families are often poorly served. All provinces/territories except Quebec provide fee subsidies but these frequently fail to make childcare financially accessible even to eligible parents. Ontario’s subsidy rationing means long waiting lists while in some other provinces, even very low income families are expected to pay hefty surcharges above the amount provincial subsidies cover—these can be as much as $500/month. Data from 2010 showed that since 2001, the percentage of children subsidized has generally been static or even dropped in some instances.

The data from 2012 show Canada-wide median monthly fees of $761 (infant); $701 (toddler) and $674 (preschooler). However, the medians don’t tell the whole story; Quebec fees are $152/month for all ages.
The standard international public spending benchmark for early childhood education and care (ECEC) (regulated child care and kindergarten) is 1% of GDP. Canada’s public ECEC funding was assessed in 2006 to be lowest among 14 affluent countries at .25% of GDP, or ¼ the benchmark. In 2012, Canada-wide public spending on regulated child care through the provinces/territories was $3.6 billion, up slightly from the $2.9 billion at the time of the OECD assessment. Note that Quebec’s childcare spending represented 65% of Canada’s total spending on regulated child care in 2012.

In 2006, after cancelling the embryonic national child care program (to have cost an initial $1 billion/year), the Harper government “replaced” it with the Universal Child Care Benefit (UCCB). This $2.5 billion/year expenditure is distributed through a $100/month cheque (taxable) for children under age 6 sent to all families through the mail. The stated purpose of the UCCB is to provide “choice in child care”. No receipts or report-back are required. Caledon Institute’s analysis concluded that the UCCB’s design means that single parents stand to make the smallest after-tax benefit gains.

Public spending for the UCCB from 2006 to this year is approximately $17.5 billion. There have been no data collected by the federal government about how the $17.5 billion has been spent. A recent analysis concluded that—based on the available data—the claim that the UCCB has accomplished or improved “choice in child care” is questionable at best. If it were used for regulated child care, the annual $2.5 billion expenditure could have modestly funded 700,000 additional child care spaces in each year.

Canada still needs a national child care program

Data, recognition of the benefits for families, children, the economy and common sense reinforce the urgent need for high quality childcare for families across Canada. The obvious conclusion is that this would best be accomplished through a national program that has some characteristics in common with those of other national social programs such as Medicare. Adversaries of childcare assert that a national childcare program means an Ottawa-driven “one-size-fits-all” approach to early childhood education and childcare that would fail to recognize that “all families are different”. This view however misinterprets the concept of a national childcare program that has been proposed by Campaign 2000 from its early beginnings until today.

Proponents of a national childcare program envision a well-designed, adequately-funded system that encompasses both “care” and “early childhood education” - a system would grow over time to include all children regardless of their families’ work status, region or ability. At the community level, the system would offer a range of high quality services including parenting programs for parents staying at home with young children, part-day nursery schools, centres, well-regulated home child care and out-of-school programs for school-age children. Services would be affordable, publicly-funded, publicly-managed, operated on a not-for-profit basis, participatory, respectful of diversity, and fully inclusive. Childcare would be part of a broader public policy including improved parental leave and other family supports such as an enhanced national child benefit.

An overarching national policy framework would include shared national principles, an accountability framework and a data, research and evaluation capacity, with robust service delivery systems designed and administered by each province/territory. These systems would incorporate local public service management and planning and a voice for parents. Such a national framework and the services generated would be based on the best available evidence, would fit with Canadian federalism and would provide real options (a real range of choices) for families.
Stable, affordable, safe and adequate housing eludes many low-income families across Canada. Housing insecurity is deep and persistent in every region. Recent data show that families with the fewest economic resources at their disposal pay more of their income for less adequate housing, eroding their health and wellbeing and leading to costly healthcare expenditures. This highlights the need for Canada to have a National Housing Strategy.

Far too many Canadians live in precarious housing and are in core-housing need – meaning that their dwelling does not meet one or more of the following standards:

- Adequate: not in need of major repairs
- Suitable: enough bedrooms for the size and makeup of residents according to National Occupancy Standards requirements
- Affordable: not costing more than 30% of the household’s pre-tax income.

One in two families with annual incomes of less than $30,350 live in inadequate, unsuitable and/or unaffordable housing and are four times more likely than average to find themselves inadequately housed. The consequences of raising children in inadequate and insecure housing include poorer health and educational outcomes that may persist over time.

Recent data confirm that one in four households in Canada are paying more than 30% of their income on housing. In sheer numbers, 3.2 million households pay more than 30% of their income on housing, making them housing insecure. Even more worrying is the fact that of all households across the country, almost 1 in 9 (more than 11%) spend more than 50% of their income on housing. Our housing has not only become costly to individuals, families with children and our communities, but it is costly to our economy and the government.

Who is homeless in Canada?
At least 200,000 Canadians experience homelessness in a given year. About 22,000 children – more than one in 10 – are among the population of homeless in Canada. It is alarming that children and their families are the fastest growing sub-group of homeless people. Other groups who face unique risks or special circumstances include Aboriginal peoples, women, youth and families who flee from violence against women.

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Which one would you choose?

- Shelter bed = $69/day.
- Jail = $143/day.
- Psychiatric inpatient bed = $665/day.
- Supportive/social housing = $25-$31/day.

Source: Courtesy of Canadian Housing and Renewal Association www.chra-achru.ca

While homelessness is the most visible manifestation of housing need, most housing needs cannot be seen. ‘Hidden homeless’ is also a growing phenomenon. Often referred to as couch surfing, this includes people who are temporarily staying with friends, relatives or others because they have nowhere else to live and no immediate prospect of permanent housing.
Federal Commitment Needs to be Substantive and Sustained

Recent increases to federal spending on housing announced in the 2013 budget were welcomed as a modest contribution toward closing the gap between unmet housing needs and what currently exists. The extension of funding for the national homelessness strategy, albeit at a slightly reduced level; allocations for housing in Nunavut and $253 million annually (to be matched by the provinces and territories) to extend the current investment in Affordable Housing for five years to support new affordable and social housing are important additions to the government’s housing portfolio.

Regrettably, there has been no implementation of the Affordable Housing announcement despite requests from the provinces. From the perspective of Canadian families, the federal government needs to make agreements with the provinces and territories so that the $253 million will be available immediately to build housing units. This allocation is a decent ‘down payment’ on the $2 billion that is needed for a fully-funded, permanent national housing plan.76

At the same time, the government needs to reverse the downward trend in spending on existing federally-subsidized homes. Over the last two decades the federal investment in non-profit, co-op and public housing has shrunk and that trend is expected to continue past 2017. The impact on households is striking: the federal investment will go down by 21% affecting almost 134,000 households. As the investment decreases, the housing will no longer remain affordable. In a decade marked by recession and an overheated housing market which creates increased pressure for affordable housing, federal investment needs to increase not decrease.

Lone Mothers Are Still at Higher Risk for Poverty

Most low-income children live in two-parent families, as this chart illustrates.

While some progress has been achieved, female-led lone-parent families are at a greater risk of poverty. More than half (52.1%) 77 of female lone mothers with children under six live in poverty. Lone mothers face the challenge of being the sole provider while also having to find adequate child care and secure housing, both of which are often unaffordable.
Campaign 2000 Acknowledgements

Campaign 2000 is a non-partisan, cross-Canada coalition of over 120 national, provincial and community organizations, committed to working together to end child and family poverty in Canada. For a complete list of partner organizations, visit www.campaign2000.ca.

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ENDNOTES

1 Dr. Anna Reid. (June 2013). Presentation to All-Party Caucus on Poverty by Canadian Medical Association. Ottawa.
10 Statistics Canada. CANSIM table 202-0808 (database). Low income measures by income source and household size, 2011 constant dollars, annual (dollars).
12 Ibid.
15 Ibid.
17 The government of Québec has stated that it agrees with the basic principles of the NCB. Québec chose not to participate in the NCB because it wanted to assume control over income support for children in the province; however, it has adopted a similar approach to the NCB.
20 This analysis is based on Statistics Canada’s Social Policy Simulation Database and Model. The assumptions and calculations underlying the simulation results were prepared by Sid Frankel, Ph.D., University of Manitoba School of Social Work, Laurel Rothman and Andrew Mitchell and the responsibility for the use and interpretation of these data is entirely that of the authors.
30 Ibid.
31 Ibid.
40 Ibid.
47 Ibid.
57 Ibid.
62 Ibid.


Ibid.


Ibid.


Ibid.


Ibid.


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