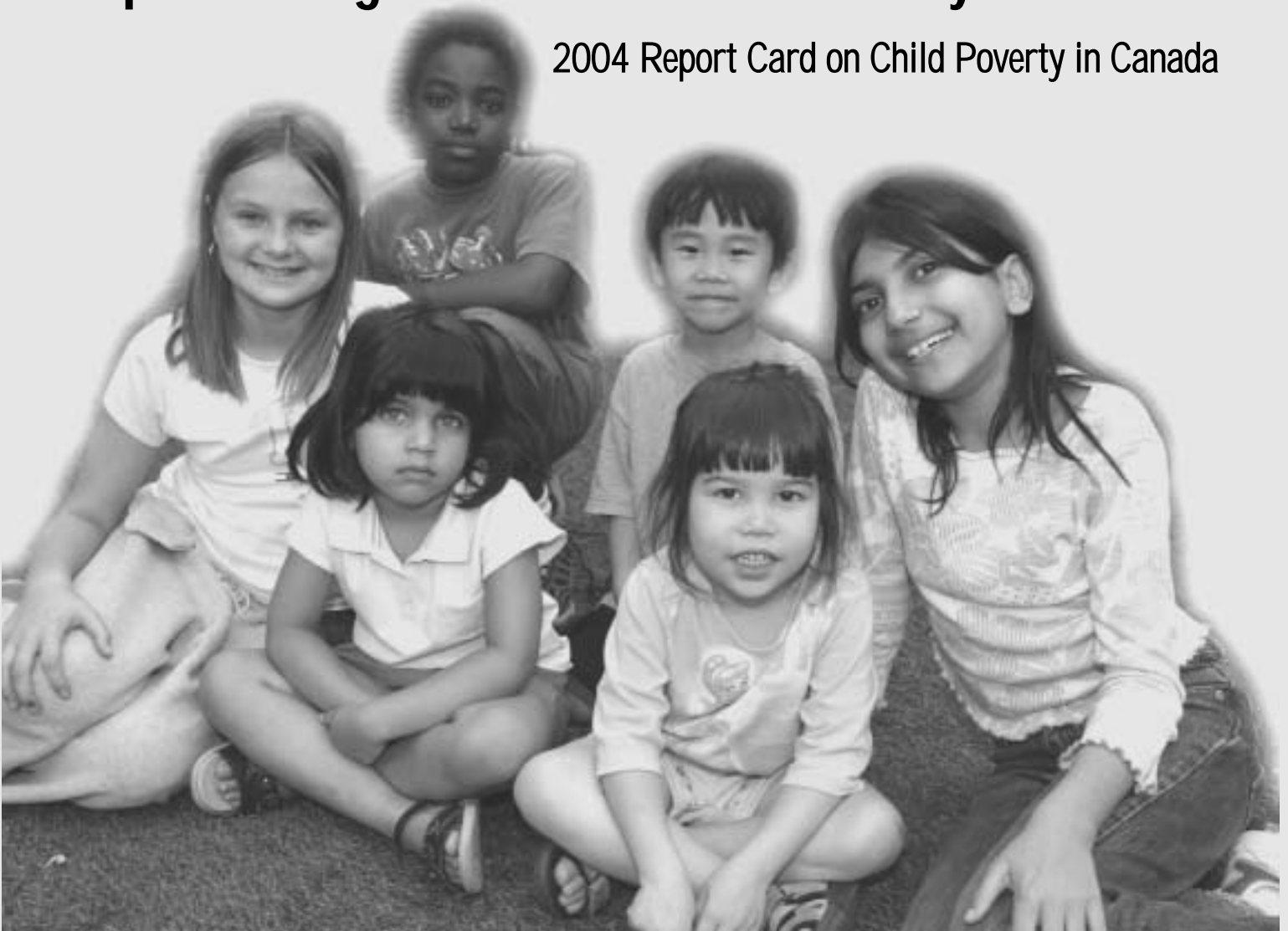




# One Million Too Many

## Implementing Solutions to Child Poverty in Canada

2004 Report Card on Child Poverty in Canada



Fifteen years ago the House of Commons unanimously resolved to "seek to achieve the goal of eliminating poverty among Canadian children by the year 2000." In the midst of a growing economy more than one million children, or nearly one child in six, still live in poverty in Canada.

The solutions are well-known. What's lacking is the political will. It's time to end the social deficit.

# How is Canada Doing in Addressing Child and Family Poverty?<sup>1</sup>

Focus Area	Assessment	What's happening?
Child and Family Poverty	Worsening ↓	<ul style="list-style-type: none"> <li>→ More than one million children in poverty - an increase since 1989</li> <li>→ Child poverty rate up for first time in six years to 15.6% - higher than in 1989</li> <li>→ One third of all children in Canada exposed to poverty for at least one year since 1996</li> </ul>
Couples with Children	No progress ↔	<ul style="list-style-type: none"> <li>→ Low income couples with children still \$9,000, on average, below poverty line</li> <li>→ Poverty rate virtually unchanged from previous year - 10%</li> </ul>
Lone Mother Families	Worsening ↓	<ul style="list-style-type: none"> <li>→ Child poverty rate for female lone parent families rose above 50% for first time in three years</li> <li>→ Low income lone mother families would need, on average, \$8,800 to reach poverty line</li> </ul>
Gap Between Rich and Poor	No progress ↔	→ Deep inequality entrenched through economic boom. Canada's top 10% richest families with children had average incomes that were more than 11 times higher than the bottom 10%
Food Bank Use	Worsening ↓	→ 2003 was record year for food bank use - 317,242 food bank users were children <sup>2</sup>
Social Exclusion	Worsening ↓	→ Child poverty rates for Aboriginal, immigrant and children in visible minority groups are more than double the average for all children; the child poverty rate among children with disabilities is 27.7%

## Too Many Children in Poverty for Too Long Canada Needs a Social Investment Plan for Children and Families

*We must measure our progress by the standard of care that we set for the least privileged among us [...] The true challenge of leadership is to rally a nation to its unfulfilled promise. To build a society based on equality, not privilege; on duty, not entitlement. A society based on compassion and caring; not indifference or neglect.*

Prime Minister Paul Martin, November 14, 2003

Canadians are tired of hearing that solutions to this issue are not possible because our political leaders cannot find common ground or because we cannot afford to make a difference in the lives of children and families. Canada can finance a long term plan for children and families by targeting anticipated surpluses over the next decade.

We challenge governments to drive down child poverty to a level not yet seen in this country. Let's make Canada a proud world leader when it comes to caring for its children and ensuring that no child lives in poverty.

On the fifteenth anniversary of the Canadian Parliament's vow to end child poverty, 1,065,000 children, or nearly one in six of Canada's children, still remain in poverty. Not only is Canada's record on child poverty actually worse than it was in 1989, Canada's rate of poverty jumped for the first time in 2002, following five straight years of decline.

Five straight years of a decline in child poverty was good news. But Canadian governments fell short of making the key investments that would have continued the downward momentum.

We know what it will take to make a difference. Nations that have significantly reduced child and family poverty have done so by investing in widely accessible early learning and child care programs, effective child benefit systems, national affordable housing programs, a healthy stock of good jobs and generous income security and unemployment benefits.



# Measuring Progress on Solutions: Benchmarks for Success

BENCHMARK	CONTEXT	ASSESSMENT	RECOMMENDATION
Raise minimum wages, increase availability of good jobs at living wages, facilitate inclusion of immigrants and provide better protection through Employment Insurance	<ul style="list-style-type: none"> <li>→ Worsening conditions for working poor. Of all low income children in Canada, almost half have parents who worked all year. One quarter have at least one parent who worked full time for the whole year</li> </ul>	Issue not on national agenda, needs federal leadership	<ul style="list-style-type: none"> <li>→ Raise minimum wage to \$10 an hour</li> <li>→ Establish a federal-provincial Living Wage Commission to find solutions to labour market woes</li> <li>→ Restore eligibility for EI</li> <li>→ Address multi-dimensional labour market barriers of excluded groups</li> </ul>
Create an effective child benefit system that provides enough income support to keep working parents, including single parents, out of poverty and that is not clawed back from social assistance recipients	<ul style="list-style-type: none"> <li>→ Income transfers managed to keep 570,000 children out of poverty</li> <li>→ Child benefit scheduled to rise to \$3,240 by 2007</li> <li>→ Many provinces clawback federal benefits from families on social assistance</li> </ul>	Some progress in raising child benefits is welcome; improvement is needed to raise benefits and deal with provincial clawbacks	<ul style="list-style-type: none"> <li>→ Consolidate current child benefits into a single program and raise the child benefit to a maximum of \$4,900</li> <li>→ Stop provincial clawbacks for social assistance recipients</li> </ul>
Build a universally accessible system of quality early learning and child care to support optimal early development of children and to enable parents to work or receive training	<ul style="list-style-type: none"> <li>→ Incoherent patchwork of services that are not properly funded</li> <li>→ Regulated child care meets the needs of only 12% of 0-12 year olds</li> <li>→ Commitment by federal government to invest \$5 b over five years (or \$1 b annually) to work with provinces to develop a national system of early learning and child care</li> </ul>	A real opportunity for progress - but getting details right from the start is key if promising words are to be turned into decisive action	<ul style="list-style-type: none"> <li>→ Federal government take leadership in developing an accountable, adequately funded national system of early learning and child care that achieves the principles of universality, quality, accessibility, inclusion and a developmental focus</li> <li>→ Provinces commit to implementing systems that meet principles with plans outlining goals, objectives, targets, timetables and evaluation</li> <li>→ Funding to continue rising to reach additional \$5 b by year 5 and provinces maintain and supplement current funding levels</li> </ul>
Expand affordable housing significantly to end adult and family homelessness and enable parents to raise their children in healthy community environments	<ul style="list-style-type: none"> <li>→ Few social housing units built since 1996 means that more than 68% of poor families with children live in unaffordable housing</li> <li>→ Multilateral Framework on Affordable Housing undermined by federal/provincial funding disputes</li> <li>→ Federal government has promised additional \$1.5 billion over five years for affordable housing</li> </ul>	Some positive steps undermined in implementation with provinces, needs improvement	<ul style="list-style-type: none"> <li>→ Break logjam with provincial governments</li> <li>→ Build 25,000 new affordable housing units every year for the next five years</li> </ul>
Renew the national social safety net through the Canada Social Transfer, with increased federal funding and improved accountability for provincially delivered social services, including social assistance	<ul style="list-style-type: none"> <li>→ Federal transfers for social services have suffered deep cuts since 1996</li> <li>→ 544,000 children rely on social assistance, which does not reach the poverty line in any province</li> <li>→ Federal government has created separate envelope for social transfers (Canada Social Transfer)</li> </ul>	Progress stalled, federal government must show leadership in developing strategy to strengthen welfare and social services	<ul style="list-style-type: none"> <li>→ Separate funding for areas of post-secondary education, early learning and child care, and housing; focus CST on social services and social assistance</li> <li>→ Increase federal funds</li> <li>→ Introduce enforceable principles that ensure adequate support is available to those who need it</li> </ul>

# Child Poverty Rises: More than One Million Children Still in Poverty

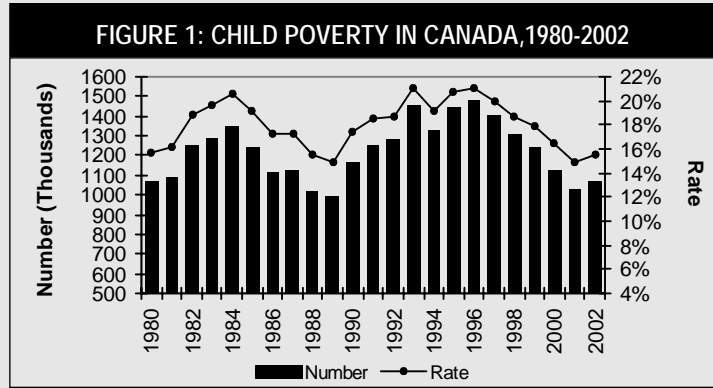
Economic growth and social investments combined to drive down child poverty each year since 1996. By 2001, the child poverty rate of 14.9% matched the level in 1989, at the peak of the last economic recovery (figure 1).

However, by 2002 Canada's progress in reducing child poverty came to a halt. Even as the good times continued to roll, 1,065,000 children, or nearly one in six of Canada's children, remained in poverty. Despite continued economic growth, rising employment and record job creation, child poverty rose to 15.6%.

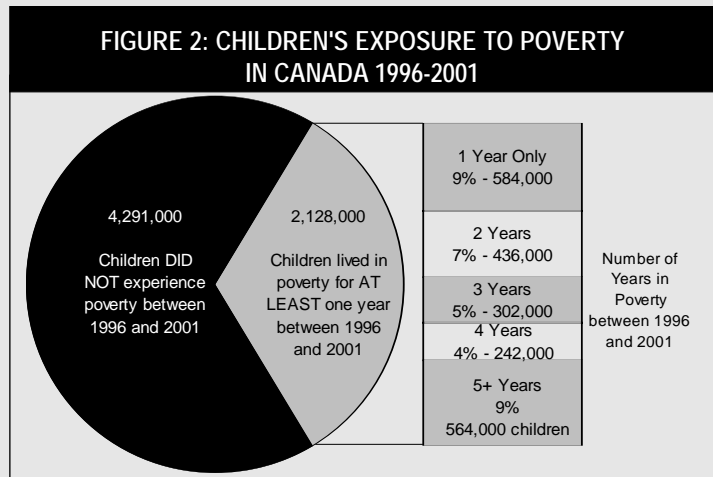
## One Third of Canada's Children Experience Poverty in Good Times

Looking at one year of child poverty in Canada does not give us a full picture of the extent and nature of the problem. In fact, during the economic boom years of 1996 to 2001, 2.1 million children were exposed to poverty for at least one year- that is one third of all children in Canada (figure 2).

Throughout the recovery 1.5 million children, or one in four, lived through at least two years of poverty. And although the majority of children cycle in and out of poverty, the reality is that over half a million children, or one in ten of Canada's children, lived in poverty throughout economic good times.



Source: Statistics Canada's *Income Trends in Canada, 2002*, 13F0022XCB.



Source: Statistics Canada's *Income Trends in Canada, 2002*, 13F0022XCB.

	Child Poverty		Average Amount Required to Reach Poverty Line	
	RATE %	NUMBER	LOW INCOME COUPLES WITH CHILDREN	LOW INCOME LONE FEMALE PARENTS
Canada	15.6	1,065,000	\$9,000	\$8,800
Newfoundland and Labrador	21.9	24,000	\$6,300	\$7,100
Prince Edward Island	11.4	4,000	-	-
Nova Scotia	18.1	36,000	\$6,900	\$7,300
New Brunswick	14.3	23,000	\$7,700	\$6,200
Quebec	16	245,000	\$8,500	\$8,200
Ontario	13.6	373,000	\$9,700	\$9,100
Manitoba	20.8	53,000	\$9,900	\$10,300
Saskatchewan	18.7	44,000	\$5,700	\$7,400
Alberta	13.3	98,000	\$8,800	\$8,900
British Columbia	19.6	167,000	\$10,000	\$10,400

Source: Statistics Canada's *Income Trends in Canada, 2002*, 13F0022XCB.

## Low Income Families Still Deep in Poverty

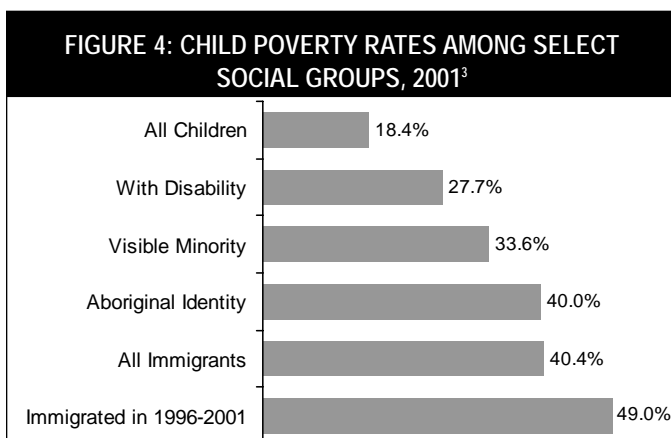
Although low income couples with children saw some improvement in their situation in 2002, they remained, on average, \$9,000 below the poverty line. The circumstances for low income female lone-parent families actually deteriorated compared to the previous year. Irrespective of whether or not low income female lone parents were employed, the distance between their family's incomes and the poverty line increased. Low income lone-parent families would require, on average, \$8,800 to reach the poverty line (figure 3).

## No Progress in Narrowing Gap Between Rich and Poor Families

Deep inequality between rich and poor families was entrenched throughout the economic boom. In 2002, Canada's top 10% richest families with children had incomes that were more than 11 times higher than the bottom 10%. In real dollars, between 1996 and 2002 the gap between the richest and poorest families actually widened. By 2002, the gap in the average incomes of the top and bottom 10% of families with children was \$171,500.

# Action Needed to Promote Social Inclusion

While poverty and disadvantage are too common throughout society, some social groups are disproportionately affected (figure 4). Persistent social inequality based on gender, race, ethnicity and ability demonstrates the impact of eroded social protections and exposes the limitations of relying primarily on economic growth to achieve social inclusion. Within a Social Investment Plan for Children and Families, specific policies and investments are needed to address the systemic sources of disadvantage and promote greater equity in our communities.



Source: Statistics Canada's *Canada Census 2001*.

Although the majority of poor children in Canada live in couple families, lone mothers and their children are still one of Canada's most economically vulnerable groups. Despite rising labour force participation, their situation is not improving.<sup>4</sup>

The level of child poverty among female lone parent families showed a marked deterioration compared to the previous two years. While 2000 and 2001 marked the first time that the rate of child poverty in lone mother families fell below 50%, the trend was reversed in 2002. That year the child poverty rate for female lone parent families jumped by almost 7 percentage points - from 45% in 2001 to 51.6% in 2002. Meanwhile, the level of child poverty remained virtually unchanged among couple families. In fact, the increase in child poverty between 2001 and 2002 can be attributed almost exclusively to worsening circumstances among female lone parent families.

The contributions of immigrants will continue to be absolutely central to the prosperity of Canada. It is projected that immigration will account for virtually all of Canada's labour force growth by 2011. Yet, a precarious labour market has led to high levels of poverty and exclusion among recent immigrants.<sup>5</sup> Many recent immigrant workers are clustered in low-wage work with few, if any, benefits.

Despite having the highest ever educational credentials, today's immigrants have undergone a sharp decline in living standards compared with immigrants from previous decades. Canadian employers often do not recognize internationally-attained credentials and job experience.<sup>6</sup> While the child poverty rate among all immigrants in

Canada is quite high at 40.4%, it climbs to almost 50% for recent immigrants who arrived since 1996.

Among racialized groups, barriers to employment are compounded by discrimination.<sup>7</sup> Workers belonging to a visible minority group averaged \$27,149 in employment earnings in 2001 - \$4,600 less than the average for all other workers.<sup>8</sup> The poverty rate for children in racialized families stood at 33.6% in 2001.

It is significant that more and more recent immigrants are in racialized groups who are more likely to face discrimination than previous generations of immigrants. Almost three-quarters of the immigrants who arrived during the 1990s were members of visible minority groups, up from 68% in the 1980s, and 52% in the 1970s.<sup>9</sup> As the vast majority of recent immigrants settle in urban centres, the racialization of poverty is becoming a harsh reality in Canada's largest cities.

Aboriginal people still have one of the highest rates of poverty. The child poverty rate among off-reserve children was 40%, more than double the average for all children in Canada. While Aboriginal people represent a large and growing share of Canada's urban population, particularly in cities from Winnipeg to Vancouver, there are few supports to assist Aboriginal families who live in urban centres.<sup>10</sup>

Despite some progress in educational attainment and participation in the labour market, Aboriginal people are still less likely to be employed than the general population and Aboriginal workers still had the lowest average employment earnings of all workers. In 2001, Aboriginal workers earned only two-thirds of an average worker's wages.<sup>11</sup>

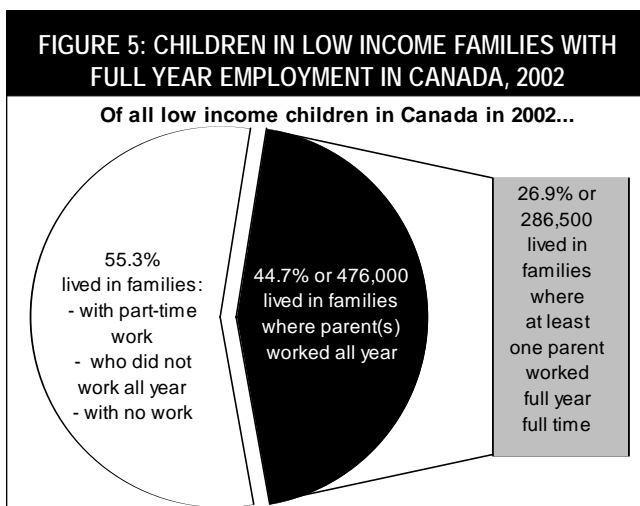
Children with disabilities face barriers to full inclusion and their families encounter immense financial, social and emotional stresses. Children with a disability were more likely than children without a disability to live in low income families, both because of the financial costs related to disability and the earnings lost when primarily mothers leave the workforce to care for their children. In 2001, the child poverty rate of children with disabilities was 27.7%.<sup>12</sup>



# Pathways to Progress: Good Jobs with Adequate Incomes, Benefits and Protections

Through the latest economic recovery, Canada has been doing well in terms of job creation and falling unemployment. However, more and more families are working but not finding jobs with good pay, enough hours or benefits to help them escape poverty. Since the beginning of the economic recovery, the percentage of poor children whose parents had employment earnings has increased every year. Children whose parents participate in the labour market represent the vast majority of all low income children.

In fact, almost half of Canada's low income children, or 44.7% of all children, live in families where the parent(s) worked all year and still could not rise above the poverty line. Even with a full time job, many parents have a hard time making ends meet. More than one quarter of Canada's low income children had at least one parent who worked full time for the whole year (figure 5).



Source: CCSD using Statistics Canada's *Survey of Labour and Income Dynamics*, masterfile.

Labour market vulnerability is increasing primarily because of the high incidence of low paid jobs, the erosion of labour standards, decreasing access to collective bargaining, and the proliferation of jobs with limited or no benefits.<sup>13</sup>

Restructuring and downsizing in the nineties has meant that many good jobs have been replaced by non-standard employment, meaning work that is part-time, contract, seasonal, or self-employment.

Non-standard employment has grown to 37% of all jobs in Canada, compared to just 25% in the mid-seventies.<sup>14</sup>

One in four workers or 2 million adults, are in low wage employment in Canada. The incidence of low pay has remained virtually unchanged throughout the economic boom (figure 6). Canada stands out as a low-wage country, second only to the U.S. among industrialized countries.<sup>15</sup>

**FIGURE 6: EMPLOYMENT IN LOW WAGE JOBS IN CANADA**

*Low wage defined as earning less than two-thirds the National Median Hourly Wage - approximately \$10 in Canada*

	1997	2002
All	25%	25.3%
Men	19.4%	19.4%
Women	31.1%	31.5%
Full-Time	18.4%	18.2%
Part-Time	53.9%	57%
Union	7.1%	8.4%
Non-Union	34%	33%

Source: Labour Force Survey as cited in Andrew Jackson. *Good Jobs in Good Workplaces: Reflections on Medium-Term Labour Market Challenges*. July 2003. Caledon Institute of Social Policy, Table 2.

The decline in job quality has fallen alongside unionization rates in Canada. In 2002, unionization in Canada stood at 32%, down from 41.8% in 1984.<sup>16</sup> The benefits of unionization are clear: higher wages, better benefits and more stability. In 2002, 33% of non-union workers were in low wage jobs, compared to only 8.4% of workers in union jobs.

The percentage of women in the labour market is higher than ever before, yet, not only do women earn less than men, they are also more likely to be in part-time or non-standard employment, and to work in clerical, sales and service jobs which pay less than the blue collar jobs occupied by men.<sup>17</sup>

## Reduced Access to Employment Insurance

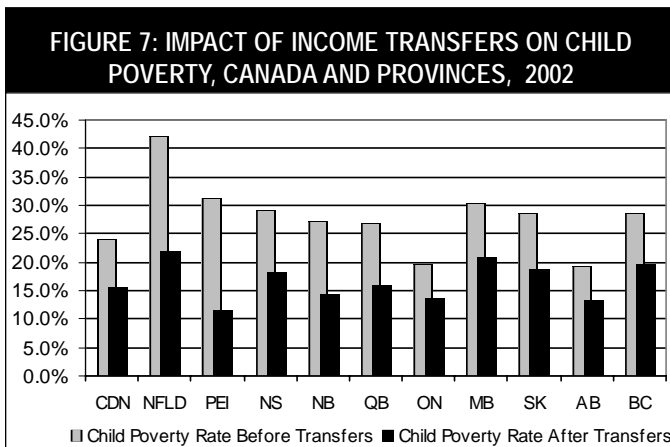
Employment Insurance should be the first line of defence for unemployed parents. However, changes in Employment Insurance rules introduced in the 1990s mean that low income workers who find themselves without jobs are not likely to receive benefits. Employment Insurance has also not kept up with a shifting labour market that has created many jobs that often do not fit qualifying rules. Workers in part-time, seasonal and temporary employment often do not qualify for any benefits, while others are only eligible for a short period of assistance.

In 2001, only 39% of people who were unemployed were receiving Employment Insurance, down from 75% a decade ago. The increase in hours and weeks of work needed to qualify and corresponding reductions in benefits have had a particularly profound impact on women. Coverage for women has declined substantially, from 69% of unemployed women who received unemployment insurance benefits in 1990 to 33% in 2001.<sup>18</sup>

# Public Investments Protect Children from Poverty

Without enough good jobs to enable families to lift themselves out of poverty, public transfers make a huge difference in the lives of thousands of children every year. Social expenditures including the GST credit, the Canada Child Tax Benefit and Employment Insurance play a critical role in preventing children from sliding into poverty.

The value of social investments is clear: in 2002 alone, 570,000 children were kept out of poverty as a result of public investments. Without these, Canada's child poverty rate would have been 23.9% instead of 15.6% (figure 7).



Source: CCSD using Statistics Canada's *Survey of Labour and Income Dynamics*, masterfile.

Any serious strategy to reduce the depth and levels of child poverty requires substantive and additional income transfers. The slow success in reducing child and family poverty is a key lesson from the Canada Child Tax Benefit: we will get as much out of this program as we are willing to put in.

A comprehensive child benefit system is essential to achieve a significant reduction in poverty and to recognize the special costs of raising children for low, modest and middle income families. Earnings from employment have never been sufficient for families with jobs at the lower ends of the labour market to escape poverty.

In the 2003 budget, the federal government announced plans to gradually raise the Canada Child Tax Benefit to a maximum of \$3,243 per child per year by 2007. It is encouraging that the government is scaling up its investment. Yet the overall commitment to child benefits is insufficient to address family needs and the implementation plan remains far too slow.

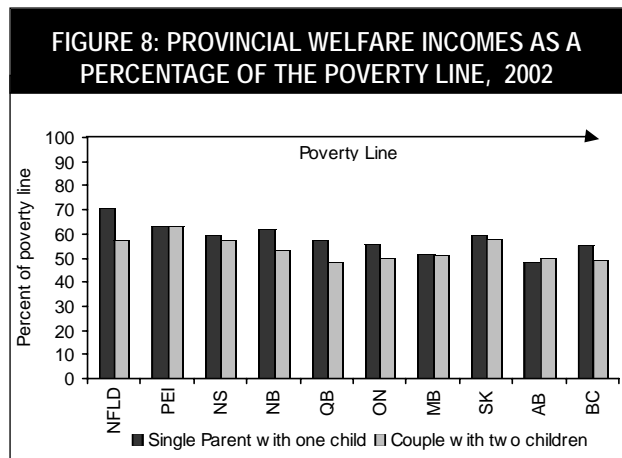
To make real progress on child poverty the Canada Child Tax Benefit must rise to \$4,900 per child.<sup>19</sup>

Action must also be taken to deal with those provinces who continue to deny federal child benefits to families on social assistance. The majority of provinces and territories reduce social assistance and other related benefits (i.e. provincial child benefits) by the amount of the National Child Benefit. Such a practice has continued to take place even as welfare incomes have steadily declined over the past decade.

## A Renewed National Social Safety Net: Strengthening the Canada Social Transfer

As EI fails to protect many of the unemployed, many vulnerable families are forced to rely on social assistance. In March 2003, more than 544,000 children had to rely on social assistance in Canada; children and their parents make up 52% of Canada's social assistance recipients.<sup>20</sup> The majority of these families move on and off welfare. A variety of factors including unemployment, underemployment, illness, disability, and a lack of supports mean that some must rely on social assistance for extended periods of time.

When the federal government ended the Canada Assistance Plan (CAP) in 1995, it discarded important principles and safeguards for social assistance recipients. Combined with the dramatic cuts of \$12 billion in federal transfer payments, the end of CAP opened the door to deep cuts in benefit levels and the introduction of restrictions that have excluded many Canadians from the social safety net of last resort. To illustrate, no province in Canada has welfare rates for families that come close to the poverty line (figure 8).<sup>21</sup>



Source: National Council of Welfare, *Welfare Incomes 2003*, Spring 2004.

All governments need to show leadership to stem deepening poverty among families on social assistance.

With the goal of increased transparency and accountability, the creation of the Canada Social Transfer is an opportunity to rebuild inclusive systems of welfare and social services that uphold the dignity of families on social assistance. The key to the success of the CST is threefold: 1) separate funding for areas of post-secondary education, early learning and child care, and housing and focus the CST on social services and social assistance; 2) increase federal funds; and 3) introduce enforceable principles that ensure adequate support is available to those who need it.

# Making a National System of Early Learning and Child Care a Reality

*"... we believe that a strong, Canada-wide program of early learning and care for our children is the single best investment we can make in their future and in ours."*

Prime Minister Martin's Response to Speech From the Throne, October 6, 2004

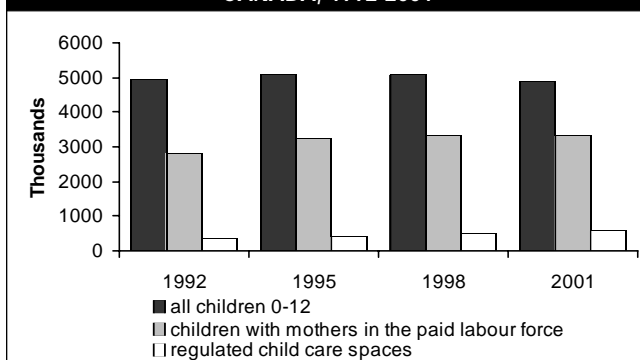
Canada needs a strong, universal system of early learning and child care (ELCC) as a cornerstone of its human development strategy and to enable parents to work and receive training. While ELCC is not primarily an anti-poverty program, investments in young people's development and learning are essential to create the pathways out of poverty. These programs are key to support healthy, well-developed children who have strong chances for academic success, long-term health and independence.

Canada's current ELCC situation is characterized by two main policy problems: first, public policy at both national and provincial/territorial levels is incoherent and poorly developed. Canada's current patchwork of ELCC is not a system at all. Only kindergarten for five-year-olds is universal. The main ELCC programs - kindergarten, nursery school and child care - are not integrated.

Second, public financing for ELCC is severely inadequate.<sup>22</sup> Provincial spending per child for regulated child care varies widely across the country and has major implications for family costs.

These two issues go hand-in-hand and are directly linked to the key delivery issues - poor access to needed programs and program quality. In 2001, there were only enough regulated child care spaces to accommodate 12.1% of children aged 0-12, up from 7.5% in 1992 (Figure 9). Growth in regulated child care slowed dramatically in the 1990s. Most of the increase in regulated child care was in Quebec.

**FIGURE 9: ACCESS TO REGULATED CHILD CARE IN CANADA, 1992-2001**



Source: Friendly, Beach and Turiano, *Early Childhood Care and Education in Canada: Provinces and Territories 2001, 2002*.

At the end of the 1990s, the federal and provincial governments (except Quebec) struck a series of intergovernmental agreements that were significant in moving forward on a national agenda for ELCC. The Multilateral Framework on Early Learning and Child Care announced in 2003 marked a national consensus on the importance of high-quality ELCC programs.

It is very encouraging that we now have a commitment by the federal government to develop a national system of ELCC with the provinces. Such a system would be the most important social policy advance of the decade. Its success depends on action to enshrine a number of key principles in legislation. A public system of ELCC should be based on the principles of quality, universality, accessibility, a developmental focus and inclusiveness of all children. Federal funds should be tied to accountability mechanisms to ensure families across the country have access to services that meet these principles. Federal funds need to grow to at least \$5 billion by the fifth year of the plan to lay the foundation for a comprehensive system.





# Towards Stable and Affordable Housing for All Families

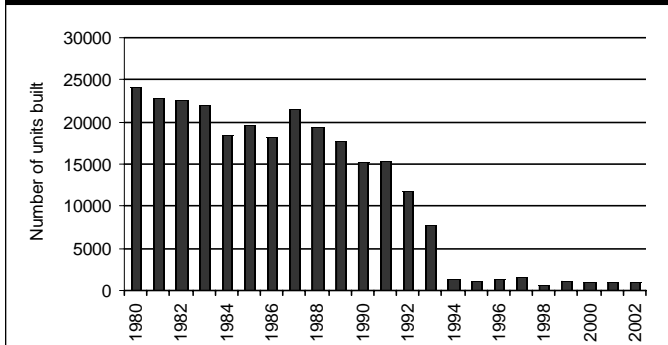
Suitable and affordable housing is important for children's health and development. Canada's children require secure housing that anchors them in a community, increases their chances of success at school and provides a base for their parents' participation in the workforce, training or education.

As the federal government stepped back from investments in new social housing in the mid-nineties, most provinces followed suit. Dwindling federal and provincial government support and declining private sector investment have combined to create a crisis in affordable rental housing across the country (figure 10).

Since 1996, an average of only 8,800 rental units have been built yearly in Canada - most with rents that are not affordable to the average Canadian household.<sup>23</sup> Of all families with children in Canada, one in five lives in unaffordable housing, where shelter costs are more than 30% of total income. Among low income families with children, 68% live in unaffordable housing. Excessive housing costs press limited family budgets and create a source of stress on home environments of children. Family costs in securing shelter will determine what funds are left to purchase food and other necessities in raising children.



**FIGURE 10: SOCIAL HOUSING UNITS BUILT ANNUALLY 1980-2002**



Source: Prepared by the Canadian Housing and Renewal Association using Canada Mortgage and Housing Corporation data.

A recent slight increase in rental vacancy rates among private rental units is deceptive. Rents have risen so high in the private market that tenants simply cannot afford to pay the rents. That means that there are empty units in many parts of the country while, at the same time, there are large numbers of households that desperately need an affordable home.

Recently, there have been some modest steps taken to address Canada's housing crisis. The federal government has promised to increase funding under the Affordable Housing Framework Agreement by an additional \$1.5 billion over the next five years. Yet, more than 2 years after federal, provincial and territorial housing ministers agreed to fund 32,000 new affordable homes under the Affordable Housing Framework Agreement, only about 7,500 units have been launched.<sup>24</sup> After a decade of neglect, affordable housing remains a growing problem, particularly for families in urban areas. Solutions must be found that resolve the ongoing federal-provincial/territorial logjams over cost-sharing of new housing. This situation has meant that federal funding under the agreement remains frozen.

A renewed cross-Canada housing strategy with a substantially increased funding envelope and federal leadership is desperately needed. Provincial governments must not only help to increase the supply of affordable housing, they must also raise housing allowances for social assistance recipients to reflect rental costs in communities.



# Pathways to Progress: Solutions to Address Child Poverty in Canada

*We [...] commit ourselves to implementing the Plan of Action through [...] effective national legislation, policies and action plans and allocating resources to fulfill and protect the rights and to secure the well-being of children [...].*

*A World Fit for Children, Plan of Action signed by the Canadian government and other heads of state at the United Nations Special Session on Children in May 2002*

Canada needs a comprehensive, multi-year strategy to address continuing high levels of child poverty. We need the same determination to support children's well-being as was shown by the federal government in reducing the deficit. Canada needs the same resolve to implement a long-term, sustained and well-financed strategy to reduce child poverty as was recently shown by the federal and provincial governments in addressing the long-term sustainability of our health care system.

While the federal government must take leadership, honouring Canada's commitments to its children requires a Pan-Canadian response.

Parliament must stand united and be decisive in turning words into concrete actions that will make a difference in the lives of today's children. Provincial/territorial governments have a critical role to play in such areas as raising the minimum wage, creating a system of early learning and child care, and providing affordable housing. Municipalities can and want to play a larger role in turning back the tide of poverty and social inequality that is undermining civic life in Canada's major cities. Other community leaders and voluntary sector organizations also have important roles to play in rebuilding Canada's social infrastructure.

## A Social Investment Plan for Children and Families

Campaign 2000 expects that the government of Canada will create and commit to a Social Investment Plan for children and families to guide action over the next five years. This plan should recognize that child poverty is a multi-faceted problem, which requires multi-faceted solutions. There is no single silver bullet. Campaign 2000 makes recommendations for major initiatives under each of the five core elements of a Social Investment Plan.



### 1. More Good Jobs at Living Wages

- **Raise the minimum wage** to a living wage of \$10 an hour, in every province and territory and in the sectors under federal jurisdiction.
- Establish a federal-provincial **Living Wage Commission** to study and make recommendations on a range of issues affecting wages, hours of work, benefits, collective bargaining. The Commission should develop strategies that address labour market exclusion and precariousness of immigrants, racialized communities, Aboriginals, and lone mothers.
- Develop and implement a multi-faceted **strategy to better facilitate the integration of skilled immigrants**. This strategy should include all levels of government working together with a broad range of stakeholders.<sup>25</sup>
- Restore eligibility for **Employment Insurance** (EI) by introducing a uniform 360-hour qualifying requirement and extend the EI benefit period to one year to protect all earners, including low income parents, when the economy is in recession.
- Develop a federal-provincial **Labour Market Strategy for People with Disabilities** including a specific disability-supports strategy.
- Introduce **living wage ordinances and access and equity policies** at all levels of government to leverage the creation of good jobs through government contracting requirements.

### 2. An Effective Child Benefit System

- The federal government **consolidate current child benefits** into a single program in the first year of implementation of the Social Investment Plan and raise the child benefit **to a maximum of \$4,900** (in 2005 dollars) per child by the third year of the plan.

### 3. A Universally Accessible System of Quality Early Learning and Child Care

- The federal government, working with the provinces/territories and community experts, take leadership in developing **a comprehensive and accountable system of early learning and child care** for Canadian families that achieves the principles of universality, quality, accessibility, inclusion and is developmentally-focused.
- Provinces commit to implementing systems that meet principles with plans outlining goals, objectives, targets, timetables and evaluation.
- Funding to continue rising to reach additional \$5 b by year 5 while provinces maintain and supplement current funding levels.

#### 4. Significant Expansion of Affordable Housing

- 25,000 new affordable housing units be built every year for the next five years.
- The federal, provincial and territorial governments must break the logjam around existing commitments and take immediate action to increase supply.

#### 5. A Renewed National Social Safety Net: Canada Social Transfer

- The federal government establish clearly demarcated funding mechanisms for each of the areas of post-secondary education, early learning and child care, social assistance and social services, and housing.
- The federal government begin to rebuild transfers for social assistance and social services, and negotiate a new funding formula with the provinces/territories that provides sufficient, stable and predictable funding and recognizes regional economic variations.
- Substantive and enforceable principles for social assistance be established to ensure that this social safety net program of last resort provides adequate income support and is available to all low income Canadians who are without other means of sufficient support. There must be a guaranteed right of appeal.
- Federal and provincial governments develop an Urban Aboriginal Strategy in consultation with Aboriginal communities and commit financial support under the Canada Social Transfer to community-based, off-reserve Aboriginal services that would be planned and delivered by Aboriginal agencies.
- Under a post-secondary education transfer, the federal government improve access to post-secondary education by increasing the student financial aid package and allocating a higher proportion of aid to needs based grants. It should also freeze and lower tuition fees for post-secondary studies across Canada.
- Senior levels of government, in consultation with Aboriginal leaders, develop an Agenda of Inclusion of Children with Disabilities.



## Moving Forward

There are no low cost solutions to ending child poverty, just as we realized two decades ago that there was no low-cost solution to ending poverty among seniors. Now Canada leads internationally as our substantial investments in income security programs have reduced poverty among seniors by at least 50 percent.

Downpayments are no longer enough. We require full payment to honour Canada's longstanding commitment to end child poverty. The major initiatives that Campaign 2000 proposes to implement will require major increases in public revenue in the next five years. A commitment of at least 1.5% of GDP or approximately \$18 billion would provide a solid base on which to develop these initiatives.<sup>26</sup>

Over the next decade, Canada can generate the fiscal capacity to make significant investments in a Plan that will make a real difference in the lives of children and families in Canada. Projected surpluses combined with tax measures must be put to work to address Canada's persistent social deficits.

The evidence is well established: there is a fundamental link between a healthy start in life and the long-term impact on the well-being of children. Poverty and income inequality are major barriers to the healthy development of children, to the cohesion of our communities, as well as to the social and economic well-being of Canada as a whole.

The ultimate goal for Canada should be to create environments where children can thrive - not simply survive. Building a nation in which children thrive is the surest basis for giving all Canadians the best chance of achieving their highest level of health and well-being and assuring a strong foundation for sustainable economic prosperity.

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## NOTES:

1. Latest available child poverty data is for year 2002. Child poverty data prepared by the Canadian Council on Social Development using Statistics Canada's *Income Trends in Canada, 2002*, 13F0022XCB. Poor children are those living in families whose total income before taxes falls below the Low Income Cut-Off (LICO) as defined by Statistics Canada. A child is defined as a person under the age of 18 living with parent(s) or guardian(s), excluding those who are unattached individuals, those that are the major income earner or those who are the spouse or common law partner of the major income earner. Statistics Canada data excludes those on First Nations reserves; those in the Yukon, Northwest Territories and Nunavut; and children living in institutions.
2. The Canadian Association of Food Banks (2004). *Hunger Count 2004*. Toronto: Canadian Association of Food Banks.
3. Data from Statistics Canada *Census 2001* for persons under the age of 18. Child poverty figures for groups in this section are not available annually from Statistics Canada's *Income Trends in Canada*. Differences in child poverty figures in this section are due to different data collection methods for Statistics Canada's various surveys. Children with disabilities refers to children who have difficulties with daily activities and the reduction in the amount or kind of activities due to physical or mental conditions or health problems. Children in visible minority or racialized groups are those who, under the *Employment Equity Act*, are not white in race or colour (excluding Aboriginal persons). Aboriginal identity excludes those on First Nations reserves and those in the Yukon, Northwest Territories and Nunavut.
4. See, for example, Wiggins, Cindy (May 2003). *Women's Work: Challenging and Changing the World*. Research Paper #23. Ottawa: Canadian Labour Congress. Morris, Marika. (2002). *Women and Poverty*. Toronto: Canadian Research Institute for the Advancement of Women.
5. Bloom, M. and M. Grant. (2001). *Brain Gain: The Economic Benefits of Recognizing Credentials in Canada*. Ottawa: Conference Board of Canada.
6. See, for example, Reitz, J. (2004). *The Institutional Context of Immigration Policy and Immigrant Skill Utilization in Canada*. University of Toronto.
7. Racialization refers to the process of attributing social meaning to somatic differences such as skin colour. This process leads to ideologies, policies and practices of exclusion and inclusion that structure social inequalities. For a full discussion on this subject see Saloojee, A. (2003). *Social Inclusion, Anti-Racism, and Democratic Citizenship*. Toronto: Laidlaw Foundation. For an analysis of racialization of poverty in Canada see, for example, Galabuzi, Grace-Edward. (2001). *Canada's Creeping Economic Apartheid: The Economic Segregation and Social Marginalisation of Racialised Groups*. Toronto: Canadian Centre for Social Justice Foundation for Research and Education. Agocs C. (2001) *Systemic Racism in Employment in Canada: Diagnosing Systemic Racism in Organizational Culture*. Toronto: Canadian Race Relations Foundation.
8. Prepared by Campaign 2000 from Statistics Canada, *2001 Census*, 97F0019XCB01057.
9. McIsaac, E. (May, 2003). *Immigrants in Canadian Cities: Census 2001 - What Do the Data Tell Us*. Ottawa: Institute for Research in Public Policy.
10. See, for example, Anderson, J. (2003, March). *Aboriginal Children in Poverty in Urban Communities: Social Exclusion and the Growing Racialization of Poverty in Canada*. Ottawa: Canadian Council on Social Development. National Association of Friendship Centres. (2003, September). *Canada at Risk: Implementing Change in Urban Aboriginal Communities from the Friendship Centre Perspective*. Ottawa: National Association of Friendship Centres.
11. Prepared by Campaign 2000 from Statistics Canada, *2001 Census*, 97F0019XCB01048.
12. See, for example, Canadian Coalition for Family Supportive Policy. (2004). *Declaration: A Public Policy Agenda to Support Families who have a Member with a Disability*. Ottawa: CCFSP.
13. See, for example, Heisz, A., Jackson, A. and Picot, G. (2002) *Winners and Losers in the Labour Market of the 1990's*. Analytical Studies Branch - Research Paper Series, Statistics Canada No. 11F0019 No.184. Jackson, Andrew (July 2003). *Good Jobs in Good Workplaces: Reflections on Medium-Term Labour Market Challenges*. Ottawa: Caledon Institute of Social Policy. Canadian Labour Congress. (2003) *Low-wage jobs and high wage jobs*. *Economy, Spring*, 14(1).
14. Saunders, R. (2003). *Defining Vulnerability in the Labour Market*. Ottawa: Canadian Policy Research Networks.
15. Jackson, July, 2003.
16. Jackson, A., and Schelaghe, S. (2003). *Solidarity Forever? An Analysis of Union Density*. Research Paper 25. Ottawa: Canadian Labour Congress.
17. See, for example, Jackson, Andrew (May 2003). *Is Work Working for Women?*. Research Paper #22. Ottawa: Canadian Labour Congress.
18. Canadian Labour Congress, *Failing Unemployment Insurance Protection for Canada's Unemployed*, March 2003.
19. A lone mother with one child working full-time at \$10 (i.e. earnings at \$18,000), requires a child benefit in the amount of \$4,900 a year to lift her family out of poverty. A fuller analysis of the child benefit and its relationship to paid work and poverty is available in Campaign 2000's 2004 discussion paper, *Pathways to Progress: Structural Solutions to Address Child Poverty*.
20. Prepared by Quantitative and Information Analysis Division, HRDC, October 2003.
21. National Council of Welfare (2004). *Welfare Incomes 2003*. Ottawa: Minister of Public Works and Government Services Canada.
22. See Organization for Economic Co-operation and Development. (2004). *Early Childhood Education and Care Policy: Canada Country Note*. Paris: OECD. Friendly M., Beach J. and Turiano M. (2002), *Early Childhood Care and Education in Canada: Provinces and Territories 2001*. Toronto: Childcare Resource and Research Unit, University of Toronto.
23. Canadian Housing and Renewal Association, *Report to the Parliamentary Standing Committee on Finance*. September 23, 2003.
24. National Housing and Homelessness Network. (2004, February). *National Housing and Homelessness Network Housing Report Card 2004*. Ottawa: National Housing and Homelessness Network.
25. The Toronto Region Immigrant Employment Council representing employers, labour, regulatory bodies, post secondary institutions, assessment service providers, community, funders and all three orders of government, has recently outlined six specific areas for federal/provincial/municipal action related to ensuring that internationally-trained workers have access to the jobs for which they were trained. The plan includes, but is not limited to, revising settlement policy to deliberately include labour market integration: expanding successful labour market integration programs such as internships and mentoring, working with employers and other partners; develop and implement regional strategies, in collaboration with provincial, regional and municipal governments, to expedite labour market integration of immigrants. More details available from: [http://www.maytree.com/PDF\\_Files/TRIECFPrimeMinistersLetter.pdf](http://www.maytree.com/PDF_Files/TRIECFPrimeMinistersLetter.pdf).
26. For a full discussion of these proposals see *Pathways to Progress: Structural Solutions to Address Child Poverty* by Campaign 2000 (2004).

**Campaign 2000** is a non-partisan, cross-Canada network of over 90 national, provincial and community partner organizations committed to working together to end child and family poverty in Canada.

**NATIONAL PARTNERS include:** *Boys and Girls Clubs of Canada (Toronto), Campaign Against Child Poverty (Toronto), Canadian Academy of Child Psychiatry (Hamilton), Canadian Association for Young Children (Fredericton), Canadian Association of Family Resource Programs (Ottawa), Canadian Association of Food Banks (Toronto), Canadian Association of Schools of Social Work (Ottawa), Canadian Association for Community Living (Toronto), Canadian Association of Social Workers (Ottawa), Canadian Auto Workers (Toronto), Canadian Child Care Federation (Ottawa), Canadian Council for Reform Judaism (Toronto), Commission on Justice and Peace-Canadian Council of Churches (Toronto), Canadian Council on Social Development (Ottawa), Canadian Federation of Students (Ottawa), Canadian Feed the Children (Toronto), Canadian Housing and Renewal Association (Ottawa), Canadian Institute of Child Health (Ottawa), Canadian Jewish Congress (Ottawa), Canadian Labour Congress (Ottawa), Canadian Mental Health Association (Toronto), Canadian Psychological Association (Burlington), Canadian School Boards Association (Ottawa), Canadian Pensioners Concerned (Toronto), Canadian Teachers' Federation (Ottawa), Catholic Health Association of Canada (Ottawa), Centre for Social Justice (Toronto), Child Care Advocacy Association of Canada (Ottawa), Childcare Resource and Research Unit (Centre for Urban & Community Studies, University of Toronto), Child Poverty Action Group (Toronto), Child Welfare League of Canada (Ottawa), Citizens for Public Justice (Toronto), Family Service Canada (Ottawa), Jewish Women International of Canada (Toronto), Kairos (Toronto), Mazon Canada (Toronto), National Council of Jewish Women of Canada (Winnipeg), National Council of Women of Canada (Ottawa), National Association of Friendship Centres (Ottawa), Oxfam Canada (Ottawa), Pueblito (Toronto), Save the Children - Canada (Toronto), Specialink: The National Centre for Child Care Inclusion (Sydney), United Steelworkers of America (Toronto), YWCA of/du Canada (Toronto).*

**PROVINCIAL AND COMMUNITY PARTNERS include:** **Newfoundland** Community Services Council (St. John's); **Nova Scotia** North End Community Health Centre (Halifax), Dalhousie Legal Aid Service (Halifax), Anti-Poverty Network (Halifax), Nova Scotia Council for the Family (Halifax), Nova Scotia School Boards Association (Dartmouth), Annapolis Valley-Hants: Community Action Program for Children (Canning); **New Brunswick** Human Development Council (Saint John), Centre de Bénévolat de la Péninsule Acadienne Inc. (Caraquet); **Prince Edward Island** Chances (Charlottetown); **Quebec** Moisson Montreal Harvest (Lies); **Ontario** Canadian Tamil Women's Community (Toronto), Ontario Campaign 2000 (Toronto), Ontario Federation of Indian Friendship Centres (Toronto), Ontario Social Development Council (Toronto), Interfaith Social Assistance Review Coalition (Waterloo), Registered Nurses' Association of Ontario (Toronto), Ontario Coalition for Better Child Care (Toronto), Ontario Psychological Association (Toronto), Ontario Association of Social Workers (Toronto), Ontario Association of Children's Rehabilitation Services (Toronto), Ontario Association of Children's Mental Health Centres (Toronto), Ontario Public Health Association (Toronto), Ontario Federation of Labour (Toronto), Ontario Public Service Employees Union (Toronto), Elementary Teachers Federation of Ontario (Toronto), Ontario Secondary School Teachers Federation (Toronto), Ontario English Catholic Teachers' Association (Toronto), United Steelworkers of America, District 6 (Toronto), Ontario Association of Family Resource Programs (Toronto), Ontario Association of Food Banks (Toronto), Provincial Council of Women of Ontario (Niagara-on-the-Lake), The Community Social Planning Council (Toronto), Children's Aid Society of Toronto/Metro Campaign 2000 (Toronto), Family Service Association of Toronto (Toronto), Nellies (Toronto), Somali-Multi Service Centre (Toronto), Halton Social Planning Council (Burlington), Social Planning Council of Peel (Mississauga), Peel Poverty Action Group (Mississauga); Children's Aid Society of Peel (Peel), Peterborough Social Planning Council (Peterborough), Durham Child Poverty Task Force (Ajax), 905-Area Faith Community Leaders; Grey Bruce Huron Perth District Health Council (Mitchell); **South Central Ontario** Social Planning and Research Council of Hamilton-Wentworth (Hamilton); **Eastern Ontario** Social Planning Council of Ottawa-Carleton (Ottawa), Ottawa-Carleton CPAG (Ottawa), Carleton University's School of Social Work (Ottawa), Children's Aid Society of Ottawa-Carleton (Ottawa); Hastings & Prince Edward Legal Services (Belleville); **South Western Ontario** Southwestern Ontario CPAG (London), Sisters of St. Joseph of London, Ontario (London), CAPC Niagara Brighter Futures (Welland); **Northern Ontario** Laurentian University (Sudbury), Office of Social Affairs - Diocese of Sault Ste-Marie (North Bay); **Manitoba** Social Planning Council of Winnipeg (Winnipeg), Native Addictions Council of Manitoba (Winnipeg); **Saskatchewan** Social Policy Research Unit, University of Regina (Regina); **Alberta** Edmonton Social Planning Council (Edmonton), Feeding Calgary's Children Initiative (Calgary); **British Columbia** B.C. Campaign 2000 has over 15 local and regional organizations, including *Social Planning and Research Council (Vancouver), First Call!!!: B.C. Child and Youth Advocacy Coalition (Vancouver), and Federated Anti-Poverty Groups of B.C. (Dawson Creek); The Yukon Territory Yukon Anti-Poverty Coalition (Whitehorse).*

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