



End Child Poverty In Canada

Toronto Campaign 2000

To 2000 and Beyond: Report Card on Child Poverty In Toronto

1989 federal House of Commons resolution: *“to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000”*

June, 2003

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Child Poverty in Toronto ... Report Card Summary

- ✓ One in three children in Toronto still lives in poverty. The incidence of child poverty (33.5%) is higher than 1995. The number of poor children (174,050) has increased by 21,800 since 1995.
- ✓ The poor got poorer. The median income of poor lone parent families fell in real dollars from \$14,670 in 1995 to \$13,100 by 2000 in Toronto. For poor two parent families it fell from \$16,540 to \$14,040.
- ✓ Yet, economic growth has been strong. By the year 2000 employment income in Toronto (after adjusting for inflation) is up by 16.4% since 1990, and by 27% since 1995.
- ✓ The Toronto CMA has the largest gap in Canada between those at the top and the bottom of the income ladder. The top 10% of families have average incomes 27 times greater than the lowest 10%.
- ✓ The incidence of child poverty is higher in Toronto than Ontario, Canada and the surrounding regions of the Greater Toronto Area.
- ✓ The incidence of child poverty in Durham, Peel, York and Halton are lower than Ontario and Canada, but the number of children living in poverty in these regions are growing at an alarming rate.
- ✓ The incidence of child poverty is highest in the riding of Toronto Centre-Rosedale (49%). Seven other ridings (in Scarborough, York, North York and Etobicoke) have a higher number of children who are living in poverty than Toronto Centre-Rosedale.
- ✓ The number of young children age 0 to 4 years grew at a much faster rate in Toronto than in Ontario or Canada over the 1990s. Poverty rates tend to be higher among younger children.
- ✓ Lone parent families are at greater risk of poverty. Their child poverty rate is 57% -- the same as Canada's (57%) and higher than Ontario's (54%). Their numbers rose rapidly in Toronto and Ontario through the 1990s. They make up a larger proportion of the city's families with children (29%).
- ✓ Immigrants make up one-half (48%) of Toronto's population, and a majority (57%) of the poor. Nationally, the child poverty rate among recent immigrants has grown every decade since the 1980s.
- ✓ The incidence of children living in poverty in two parent families is much higher in Toronto (25%) than in Ontario or Canada (17%). Most of the growth (60%) in the number of children living in poverty in Toronto has been among two parent families.
- ✓ Economic growth left Toronto's middle income families behind. By the end of the decade, their incomes were 12% below 1990 levels.
- ✓ Over the 1990s the contribution of mothers to family incomes increased. The number of dual earner families and the employment earnings of mothers in these families grew. The mother and fathers' combined median employment earnings were down 3% by 2000. The number of two parent, father-only earners declined. Their median employment income dropped 18% since 1990.
- ✓ In 2000, 73% of Toronto's lone parent families have employment income, up from 62% in 1995, but a lower rate than in 1990 (79%). The proportion of lone parents who work full-time increases considerably once children turn school age. Issues such as lack of child care can create barriers to work.

✓ Lower income families tend to rely more on transfers such as Employment Insurance (EI) and social assistance. These transfers declined in Toronto by 45% since 1995 due to economic growth, tightened eligibility requirements and deep cuts to benefits.

✓ Eroding transfers, the lack of support in skills development and child care, an inflation battered minimum wage and marginal employment contributed to declining median incomes for poor families and growing poverty.

✓ The Canada Child Tax Benefit is playing an increasingly important role in Toronto in reaching low and modest income families. It is now the largest single transfer to husband and wife families followed by social assistance and then EI. In Ontario and Canada, EI is the single largest transfer followed by the Child Tax Benefit.

✓ The Child Tax Benefit is mitigating, but not fully replacing, the losses in employment and transfer income for median income poor families. For a low income two parent family with two children in Toronto, the CTB made up 20% of their income in 1998. By 2000 it made up 27% of their income.

Policy Lessons:

✓ Economic growth and jobs alone are not enough. Far greater emphasis needs to be placed on supporting and investing in people to ensure that everyone shares and gains in economic prosperity.

✓ The Canada Child Tax Benefit is crucial but the amount of the benefit needs to be raised faster and needs to help all low income children by not being deducted from welfare.

✓ Good quality child care is essential to promoting economic security. Toronto is losing subsidized child care spaces due to inadequate provincial funding. The province needs to provide new funding to develop quality care. New federal investments are planned but are needed now. All three levels of government have to ensure that child care is available to support families.

✓ Employment Insurance and Social Assistance must provide adequate income floors and opportunities for skill development and advancement. Minimum wages should be raised to provide a better wage floor. A single person working full time at the minimum wage should not be poor.

✓ Access to adult education, training and to post-secondary education are keys to developing the skills people bring with them to the workforce, and to the future employment prospects of youth from lower income families. Access must be improved.

✓ The average rent in Toronto is close to the median total income of poor families. It is essential that the province create new social housing units, strengthen rent controls, raise welfare shelter allowances, and create a new shelter allowance for the working poor.

✓ Barriers facing immigrants and ethno-racial groups should be recognised through improved settlement services, access to trades and professions, and employment equity.

✓ Growing numbers of families are lone parent families. It is time to improve our child support system such that it provides regular and uninterrupted support to children.

✓ There are growing numbers of poor children in suburban neighbourhoods outside the downtown core. Greater attention is needed to developing services and supports in these areas.

Background Information on the Data in this Child Poverty Report Card ...

This report card uses the term “poverty” and “low income” interchangeably. The data is mainly from Statistics Canada’s Small Area and Administrative Data Division (SAADD) Family Databank up to year 2000, (the most recent available). The Family Databank is created from information reported by all income tax filers and from the Canada Child Tax Benefit files. The Family Databank approximates the entire population and compares well with their demographic division’s statistics.

How Low Income is Defined - SAADD uses the census or “traditional” nuclear family concept (i.e. husband and wife, married or common-law, with or without children, and, lone parents with children). SAADD defines low income with the Low Income Measure (LIM). This data is available from 1995. The LIM is a relative measure of low income set nationally at 50% of the median (half above, half below) family income adjusted for family size. LIM lines are shown in Table 1.

Comparability of SAADD & Other Data on Child Poverty Campaign 2000 provincial and national child poverty reports use annual data available through Statistics Canada’s Survey of Labour and Income Dynamics (SLID). SLID data is not available at the Toronto level. Annual SAADD data is available for Toronto.

SLID uses Low-Income Cut-Offs (LICOs) which vary by community size, and are calculated using the economic family concept, which are larger extended families.

These concepts (LIM/census family versus LICO/economic family) can produce different results, as illustrated in the case example below.

A woman and her young child move in with her brother and his 2 young children. Her income in the year 2000 is \$12,500. His income is \$21,000. Under SAADD these are 2 census families, each with an income below the LIM (3 children in low income) in any community.

Under SLID this is one economic family, and their income, at \$33,500, is above the LICO in any community with a population under 500,000 (so 0 of the 3 children are in low income). But if this family lived in an urban area over 500,000, like Toronto, their income would be below the LICO (so all 3 children are considered in low income).

Both methods of reporting on child poverty are valid, but do yield different results making some comparisons difficult between this Toronto report (SAADD LIM/census family data) and provincial/national Campaign 2000 reports. SAADD Ontario and national data are included in this report for comparison purposes.

Table 1: Before-Tax Low Income Measure 2000

Number of Adults*	Number of Children Under age 16		
	0	1	2
1	\$13,350	\$18,690	\$22,695
2	\$18,690	\$22,695	\$26,700
3	\$24,030	\$28,035	\$32,040
4	\$29,370	\$33,375	\$37,380

* Includes parents/spouses, children age 16 and older, 1st child in a lone parent family. Total income before taxes from all sources including transfers. Statistics Canada, 2002

1: Child Poverty in Toronto

•While economic growth and prosperity since 1995 has been considerable, the poor in the City of Toronto and province of Ontario have been left behind.

•One child in three under the age of 18 in Toronto still lives in poverty. **Figure 1**

•The incidence of child poverty has increased. In 1995, 30.8% of Toronto children lived poverty. The child poverty rate fluctuated upward to reach 33.5% by 2000.

•The upward trend in the incidence of child poverty is evident for all of Ontario, where one child in four (24.7%) now lives in low income.

•The child poverty rate is much higher in Toronto than Ontario -- by an additional 8.8% of all children.

•The number of children living in poverty has also increased.

•In 1995, there were 152,250 poor children in Toronto. By 2000 there were 174,050. That is an additional 21,800 poor children since 1995, a 14% increase. **Figure 2**

Figure 1: Child Poverty Rates 1995-2000 Under Age 18. Low Income Measure

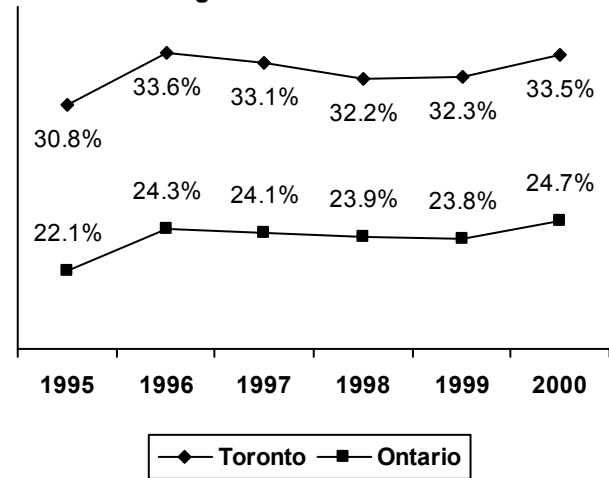
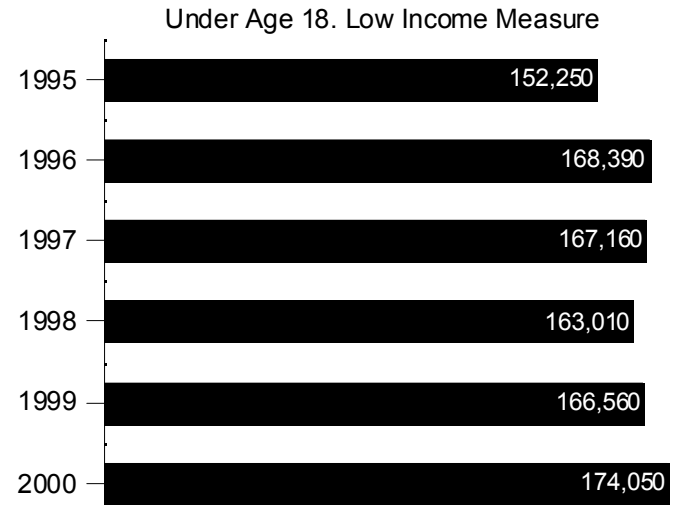


Figure 2: Number of Children in Poverty, Toronto Under Age 18. Low Income Measure

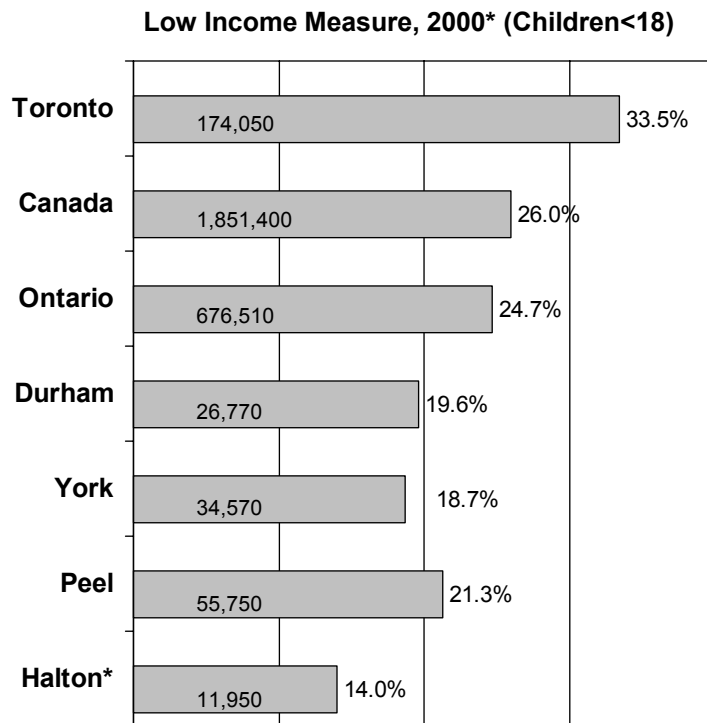


Before-tax LIM. **Source:** prepared from Table 17, SAADD, Statistics Canada, 2002.

National, Ontario & GTA Comparisons...

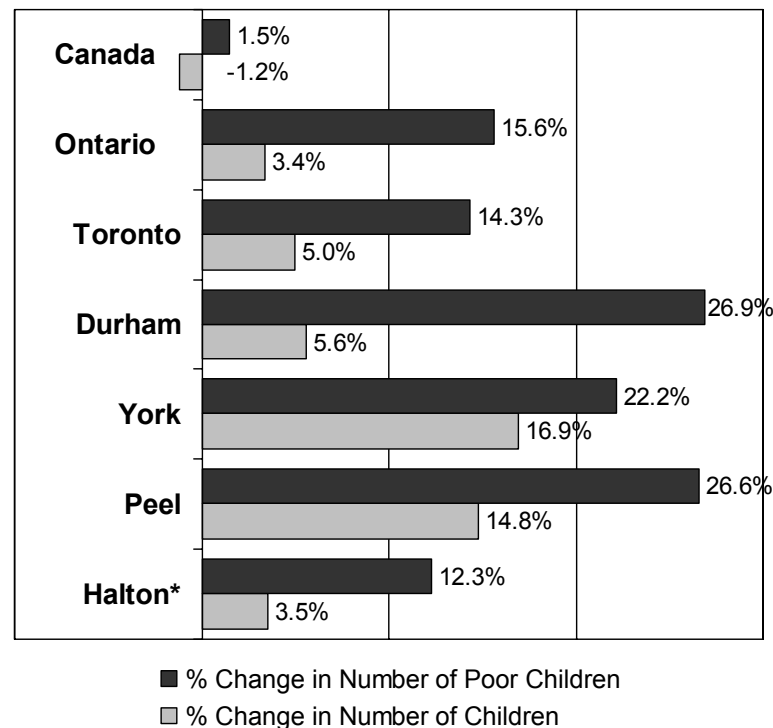
- Toronto's child poverty rate, at 33.5%, is also higher than the rates of the surrounding regions and all of Canada. **Figure 3**
- Canada's child poverty rate, at 26% in 2000, changed little. The number of poor children grew by 1.5% to reach 1,851,400 children. The number of poor children in Ontario grew by 15.6% to reach 676,510. **Figure 4**
- The child poverty rates for the regions of Durham (19.6%), York (18.7%), Peel (21.3%) and Halton* (14%) are all considerably lower than the rates for Toronto, Ontario or Canada. *(note: Halton's data is to 1999) **Figure 3**
- And child poverty disproportionately affects Toronto. It has 44% of the GTA's children but 57% of the GTAs poor children.
- But the number of children living in poverty is growing at an alarming rate in the regions. In Durham Region, for example, the number of children in poverty grew by 27% since 1995 to reach 26,770. **Figure 4**

Figure 3: Number & Incidence of Children in Poverty



Note: *Figures for Halton are for 1999. Before-tax LIM
Source: prepared from Table 17, SAADD, Statistics Canada, 2002.

Figure 4: 1995/2000* Percent Change in Number of Children and Number of Poor Children



Child Poverty By Federal/Provincial Riding & Municipal Wards in Toronto...

- Child poverty is a problem in every federal-provincial riding in Toronto, not just particular neighbourhoods or areas.
- The riding of St. Paul's, with a child poverty rate of 21% is the only riding among Toronto's 22 that has a child poverty rate below the provincial rate (at 25%). **Figure 5**
- The highest child poverty rate is Toronto Centre-Rosedale where one child in two is poor (49%). But child poverty is also a very large problem in Toronto's suburbs.
- Seven other ridings in Scarborough, York, North York and Etobicoke each have more children who are living in poverty than Toronto Centre-Rosedale. **Figure 6**

Figure 5: Child Poverty Rate By Toronto Riding/Ward

Low Income Measure, 2000 (Children <18)

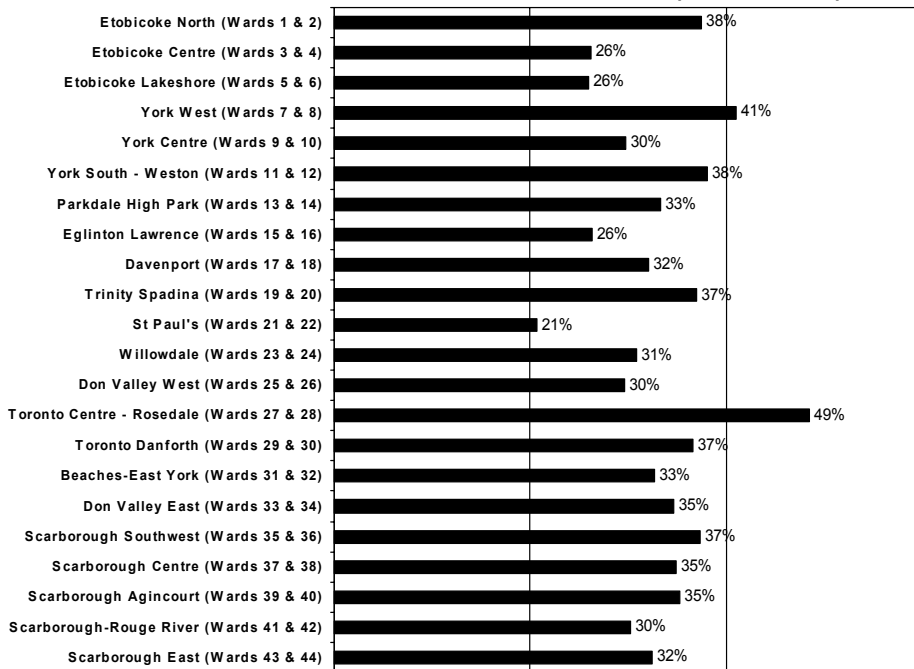
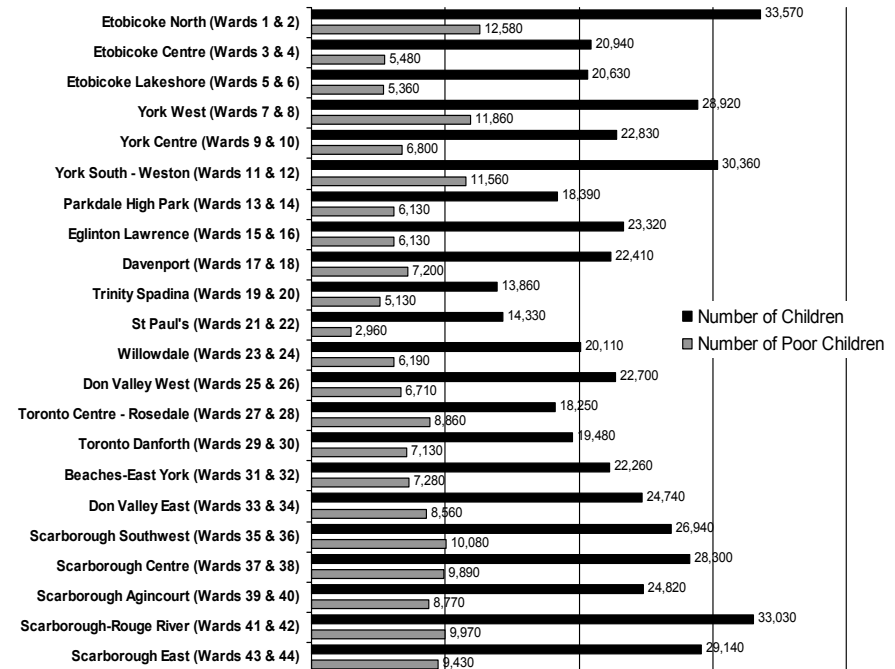


Figure 6: Number of Children & Number of Poor Children



Children & Families In Toronto: Demographic Characteristics...

•In 2000, 24% of the city's population were children and youth age 19 or under. **Figure 7**

•Between 1990 and 2000 the number of children age 19 or less increased by 15% in Toronto, 12% in Ontario and by 5% in Canada.

•Between 1990 and 2000 the number of young children age 0 to 4 and age 5 to 9 grew by a much faster rate than in Ontario and Canada. Poverty rates tend to be higher among younger children.

Figure 8

•Over the 1990s the number of husband-wife families increased by 12%. But the number of people in their 20s and in husband-wife or common law relationships declined by 20%. **Figure 9**

Figure 7:

Children as a % of Toronto's
Population, 2000

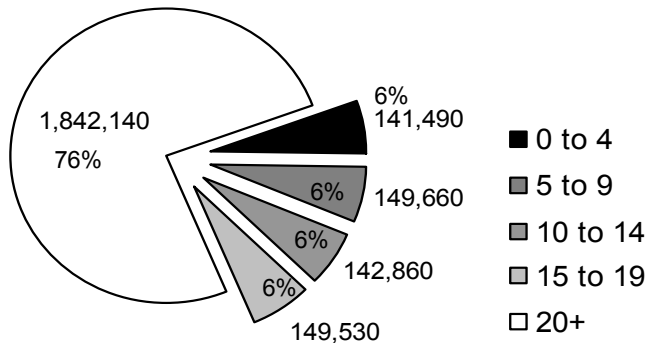


Figure 8:

Percent Change in the Number of Children By
Age: 1990/2000. Toronto, Ontario, Canada

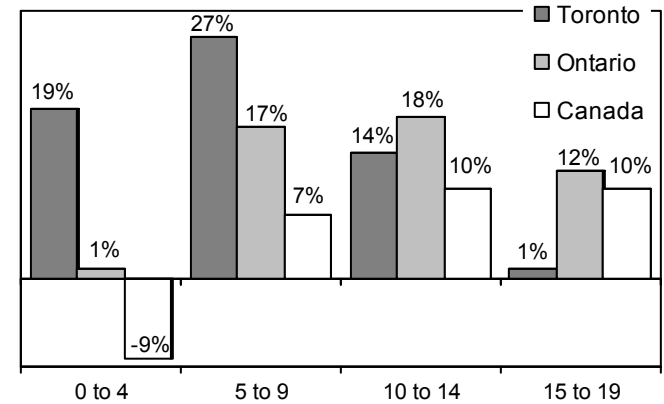
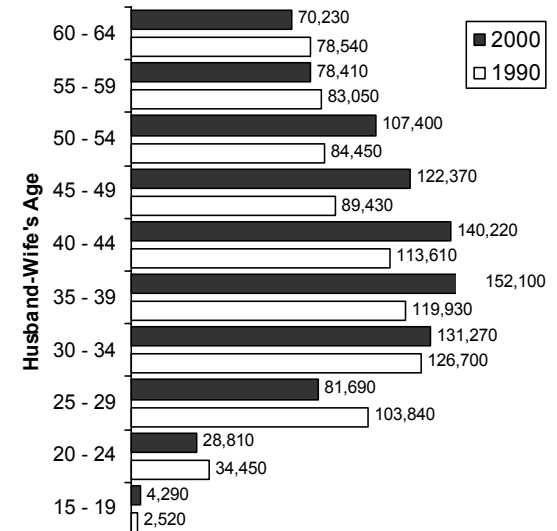


Figure 9:

Number of Persons Under Age 65 in Husband-
Wife Relationships (With and Without Children) By
Age, 1990 & 2000, Toronto



Source: Figures 7 - 9 prepared from Table 2, SAADD, Statistics
Canada, 2002.

- The proportion of families with children that are lone parent families in Toronto has grown to 29% in 2000. Lone parent families are at greater risk of poverty. **Figure 10**

- Lone parent families make up 24% of Ontario's families with children and 25% of Canada's.

- The number of lone parent families grew by 39% in Toronto, 39% in Ontario and 24% in Canada during the 1990s.

- The growth in the number of lone parents in Toronto since 1990 is among parents over age 30 years. There are slightly fewer lone parents age 20 - 29 years old now than in 1990. **Figure 11**

- There are also 1,030 teen lone parents in Toronto, 6% less than in 1990. The number declined by 19% in Ontario and 28% in Canada.

Child Poverty By Family Type

- Most poor children live in two parent families (95,990). There are far more two-parent families. **Figure 12**

- But lone parent families are disproportionately affected by poverty. 45% of Toronto's low income children live in lone parent families.

Figure 11: Lone Parent Families Under Age 65 By Age: 1990 & 2000 Toronto

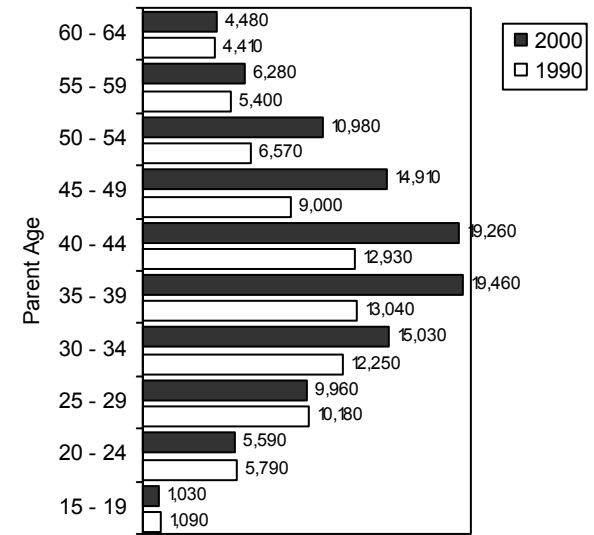


Figure 10:

Proportion of Two Parent & Lone Parent Families: 1990 & 2000 (Toronto)

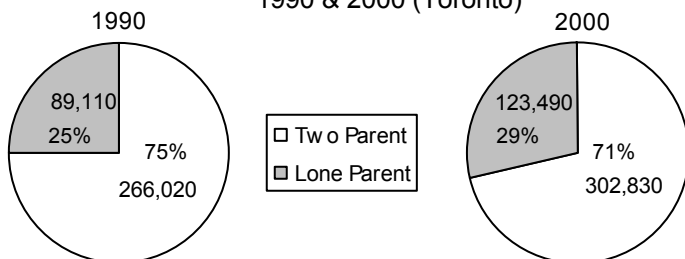
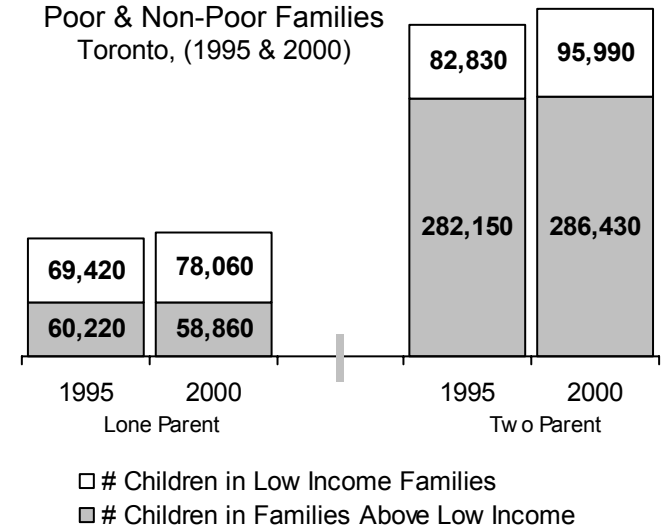


Figure 12:

Number of Children (< 18) in Poor & Non-Poor Families Toronto, (1995 & 2000)



•The child poverty rate for lone parent families in Toronto is high, at 57%, and is the same as Canada’s rate (57%), and higher than Ontario’s rate (54%). **Figure 13**

• The child poverty rate for two parent families in Toronto is 25%, which is much higher than Canada’s and Ontario’s rate (both at 17%), and is significant to Toronto’s higher child poverty rate overall.

• Since 1995, the increase in the number of Toronto children living in poverty was largest in two parent families. The number of poor children also grew at a faster rate in two parent families (16%) than lone parent families (12%). **Figure 15**

•Two parent and lone parent families with 3 or more children have higher child poverty rates. The child poverty rate for lone parents, at 69%, is exceedingly high. **Figure 16**

Figure 13: Child Poverty By Family Type
Toronto, Ontario, Canada 2000 (LIM, Children < 18)

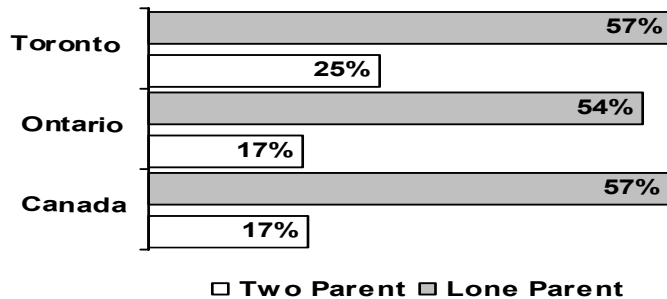


Figure 15:

Growth in Number of Poor Children by Family Type, Toronto 1995/2000

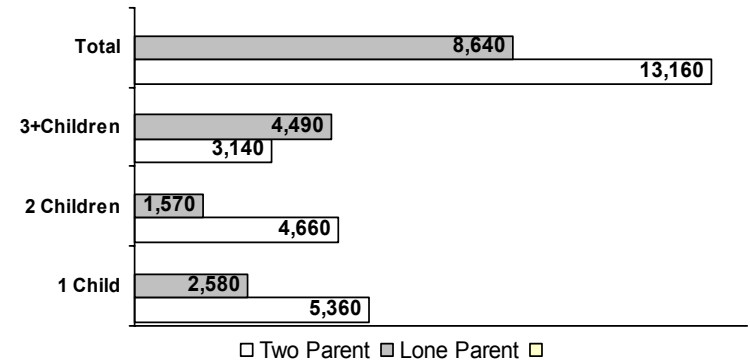


Figure 14 **Number of Poor Children by Family Type**
Toronto, 2000

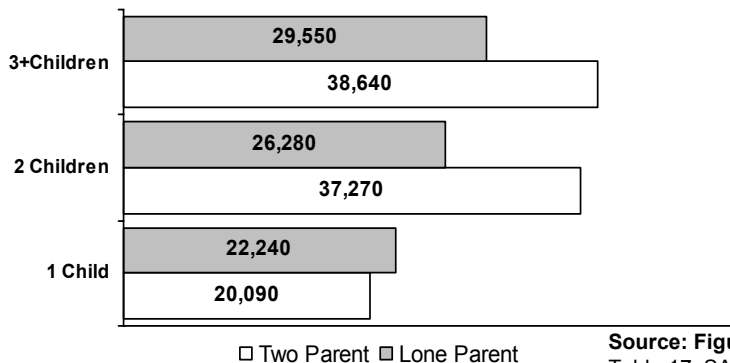
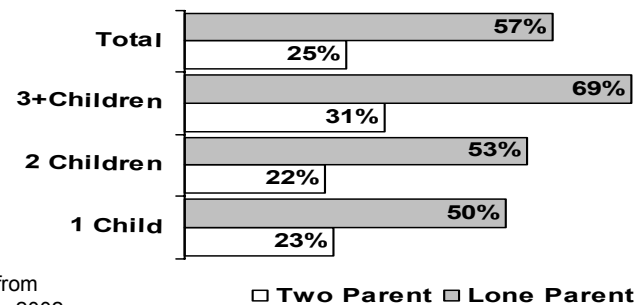


Figure 16:

Child Poverty Rate by Family Size/Type
Toronto, 2000 (LIM, Children < 18)



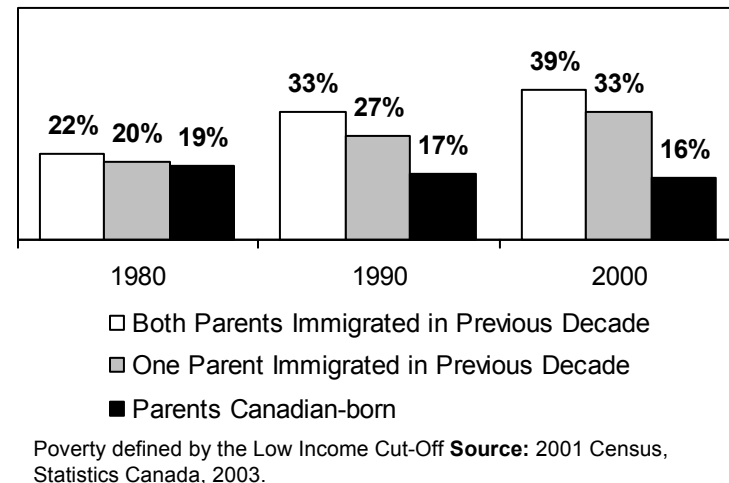
Source: Figures 13 - 16 prepared from Table 17, SAADD, Statistics Canada, 2002.

Child Poverty & Ethno-Racial Diversity...

- Immigrants make up one-half (48%) of Toronto's population, and a majority (57%) of the poor (Canadian Council on Social Development, 2000).
- The risk of poverty has grown. In 1980 the child poverty rate for newcomer parents was 22% nationally, slightly higher than 19% for Canadian born parents. Now, at 39%, the child poverty rate for newcomer parents is more than double the rate (at 16%) for Canadian born parents. **Figure 17**
- Groups of non-European ancestry tend to be younger adults and more likely to be raising children. They make-up one-third (37%) of Toronto families, but make up one-half (49%) of the city's families with children (Ornstein, 2000).
- Poverty is disproportionate to the size of various ethnic groups. 14% of children are of African, Black or Caribbean ancestry, for example, but they make up 25% of the city's poor children. 42% of children are of European ancestry, but they make up 25% of the city's poor children. **Figure 18**
- Newcomers may face many challenges around settlement, language, employment, recognition of skills & credentials and discrimination.
- The Conference Board of Canada estimates that recognition of learning alone would increase a half-million Canadian's incomes by up to \$5.9 billion.

Figure 17

Child Poverty Rate by Parents' Immigration
Children Under Age 18, Canada, LICO, 2000



A: All Children

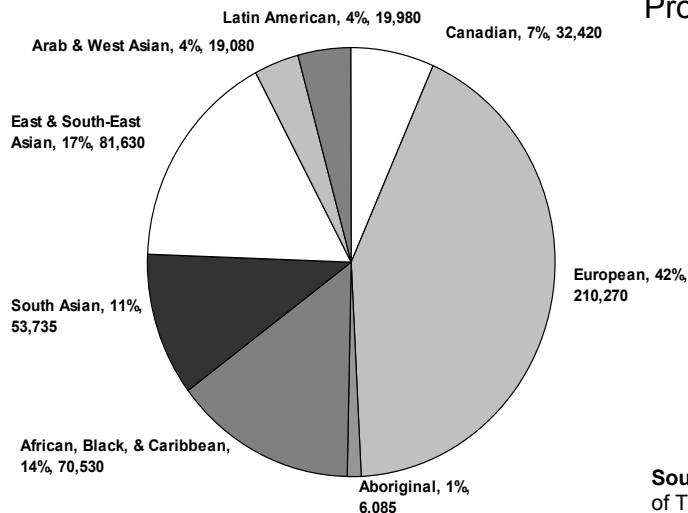
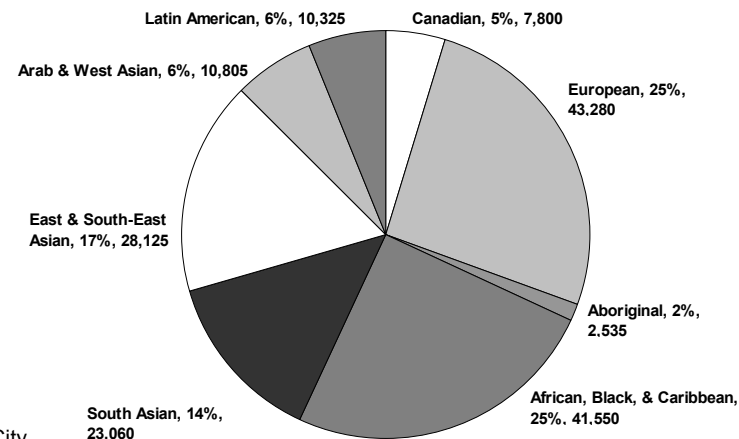


Figure 18 A & B:

Proportion of Children & Poor Children

By Ethno-Racial Group,
1995, Toronto Children < Age 19,
Low Income Cut-Off

B: Children in Low Income



Source: Ornstein, "Ethno-Racial Inequality in the City of Toronto", City of Toronto, Table 11, 2000.

2: Economic Growth & Inequality

Boom Times: Total Income and the Rising Tide of Employment Income in Toronto...

- The total income pie in Toronto increased to \$64.4 billion in 2000, up from \$54.1 billion in inflation adjusted dollars (or real dollars) in 1995.

- 90% of the income pie is market income. Most of this (75% of the income pie) is employment income – up by \$10.2 billion in real dollars since 1995. **Figure 19**

- Government transfer income (CPP/OAS, EI, welfare, etc) has fallen by \$1 billion in real dollars overall since 1995. The decline was due to employment growth, tighter eligibility requirements and cuts to benefits.

- Transfers make up 9.9% of the total income for families and individuals in Toronto, 10.1% in Ontario, and 11.7% in Canada.

- Transfer income is down 14% since 1995. Total employment income in Toronto is up 27% **Figure 20**

Figure 19

Sources of Income: Families & Individuals
Toronto 2000 & 1995 (2000 \$)

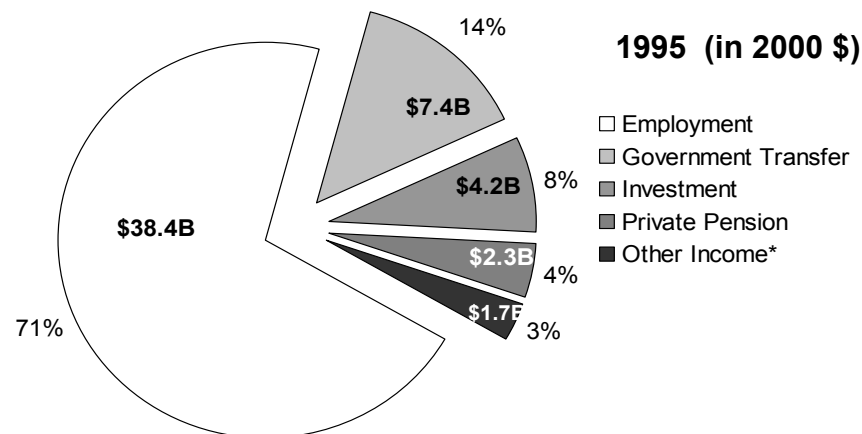
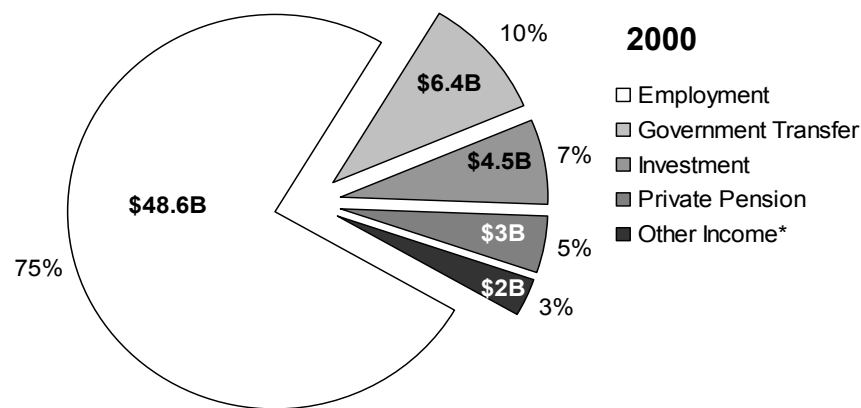
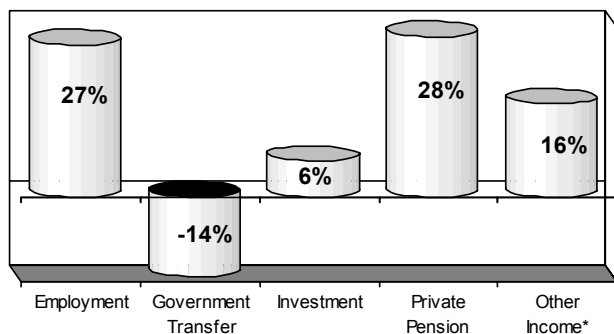


Figure 20

Percent Change in Sources of Income: Toronto 1995/2000
(2000 \$)



Notes: B = billion. *Other Income includes RRSP, rental income, alimony, limited partnership, scholarships etc.. Adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** Figures 19 & 20 prepared from Table 6, SAADD, Statistics Canada, 2002.

- Total employment income in real dollars in Toronto declined during the recession of the early 1990s, rebounded after 1993, and passed 1990 levels by 1997. **Figure 21**

- By 2000, total employment income in Toronto was up \$6.9 billion over the 1990 level -- a 16.4% increase.

But Middle Income Families Got Left Behind...

- The employment income boom left middle-income families behind: total incomes only began to increase in 1997.

- By 2000, Toronto's middle income two parent and lone parent families had total incomes in real dollars that were 12% lower than in 1990. **Figures 22 & 23**

- Ontario wide, middle income two parent families had real incomes only 2% above their 1990 levels. Middle incomes for lone parents, however, are 5% less now than in 1990.

Figure 22

Median Income for Two Parent Families: Toronto & Ontario (2000 \$)

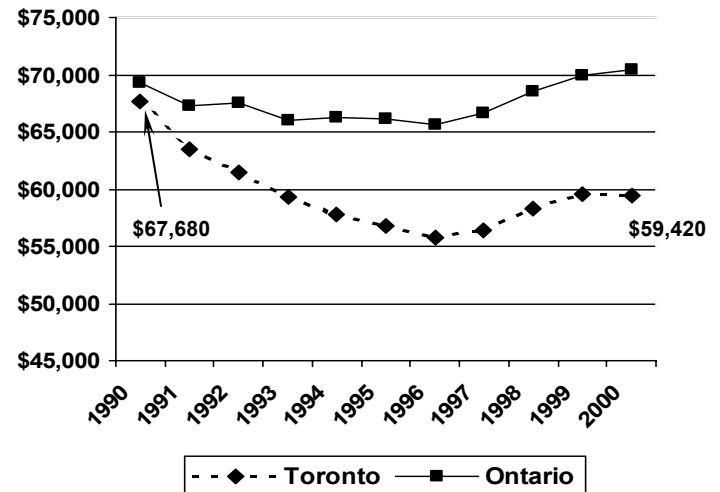
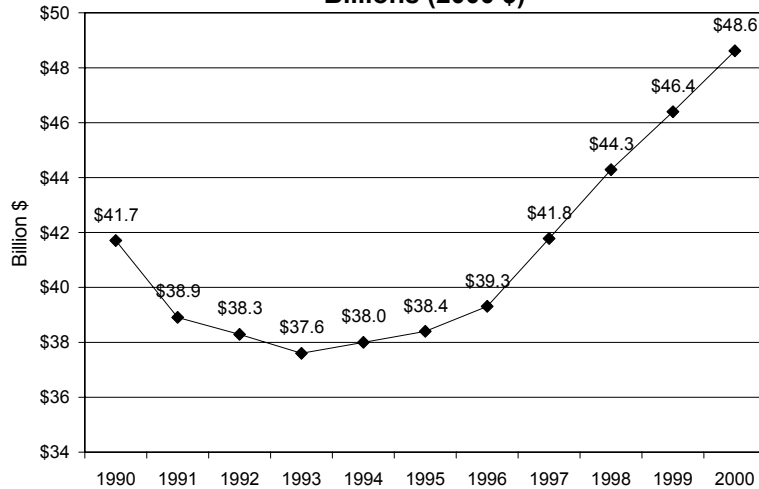


Figure 21

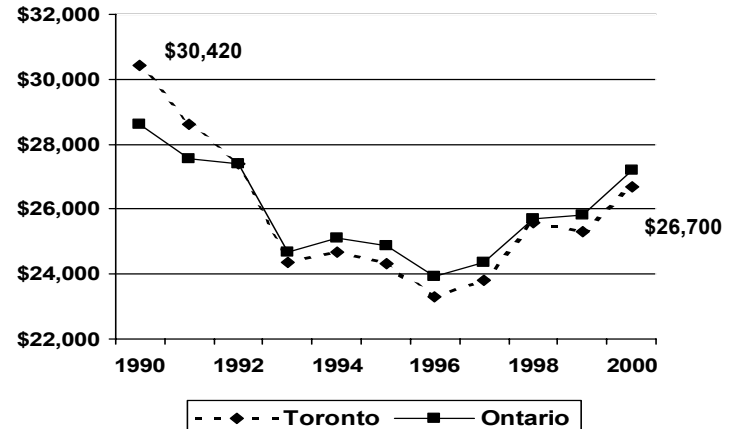
**Total Employment Income, Toronto 1990 to 2000
Billions (2000 \$)**



Adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** prepared from Table 6, SAADD, Statistics Canada, 2002.

Figure 23

Median Income for Lone Parent Families: Toronto & Ontario (2000 \$)



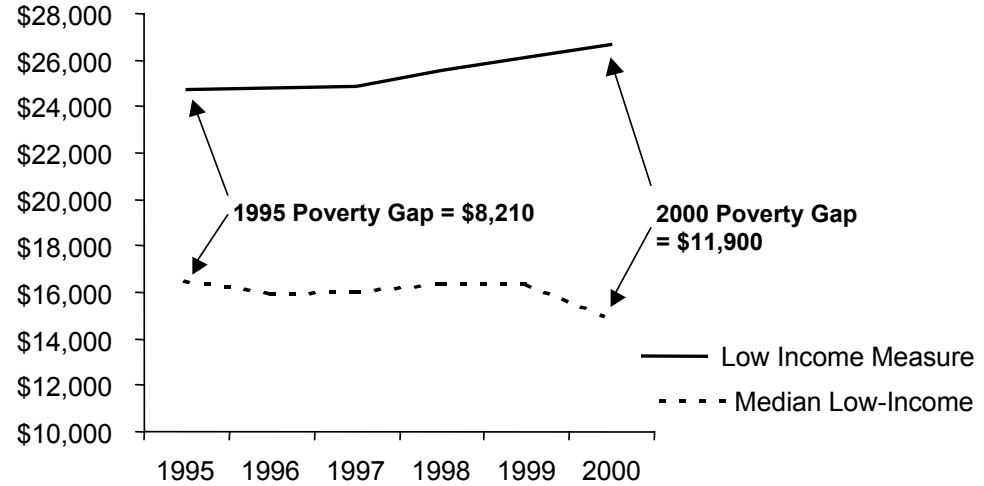
Total income from all sources before taxes. Adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** prepared from Tables 5 & 17, SAADD, Statistics Canada, 2002.

Low Income Families Got Poorer....

- Real incomes for Toronto's poor two parent families declined from a median of \$16,540 in 1995 to \$14,080 by 2000. In Ontario they declined from \$16,820 to \$13,710.
- Incomes for Toronto's poor lone parent families declined from a median of \$14,670 in 1995 to \$13,100 by 2000. In Ontario they declined from \$15,000 to \$13,300.
- In Toronto, the largest drop in income was for poor two parent/one child families (down \$3,430). Lone parents' incomes dropped \$1,400 to \$1,700. **Figure 24**
- The gap between median low incomes and the poverty line grew. **Figures 25 & 26**
- By 2000, a poor two parent family with two children needed \$11,900 to reach the LIM poverty line. A poor lone parent with one child needed \$7,990.

Figure 25

Poverty Gap: 2 Parents, 2 Children (Toronto, 2000\$)



Figures 24 - 26: Families at the median of low income. Total income before taxes, adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** prepared from Table 17, SAADD, Statistics Canada, 2002.

Figure 26

Poverty Gap: Lone Parent, 1 Child (Toronto, 2000\$)

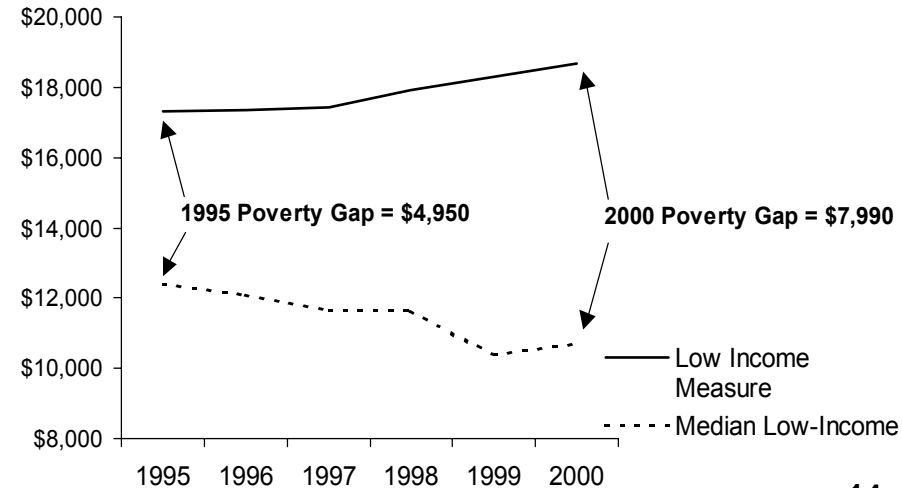
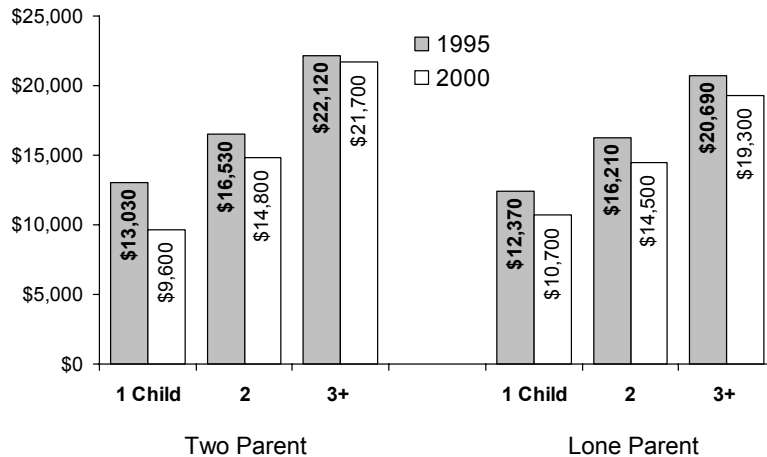


Figure 24

Change in Low Income by Family Size/Type 1995/2000, Toronto, 2000 \$



And the Rich Got Richer...

- The Toronto census metropolitan area is the most unequal urban area in Canada.
 - In 2000, the top 10% of Toronto families had average incomes of \$261,000, 27.3 times the average income of \$9,600 for the lowest 10% of families.
 - Ontario is the most unequal province. The top 10% of families have 19.4 times the income of the lowest 10%.
 - Between 1990 and 2000 the top 10% of Canadian families had the biggest gains in real average incomes (a 15% increase).
 - In 2000 the top 10% of Canadian families had 28% of the total income of families. The lowest 10% of families had 1.6%.
- Source: Statistics Canada, Census May 2003, Cat.#96F0030XIE2001014

Median Employment Income By Family Type...

- Employment income declined for middle income families in Toronto. **Figures 27 & 28**
- Dual earner two parent families in Toronto had median earnings well above poverty lines. But their earnings, at \$62,860, had declined by \$1,900 since 1990.
- Median earnings of two parent families where the father is the only earner, at \$30,760, declined the most (\$6,750 since 1990).
- Lone parent family earnings, at \$23,500, dropped by \$2,210.
- In two parent families in which the mother is the only earner, median employment income was lowest, at \$20,220, and was unchanged from 1990.
- The median employment income for single earner two parent and lone parent families is in the \$20,000 to \$30,000 range: close to (or under depending on family size) low income lines.

Figure 27

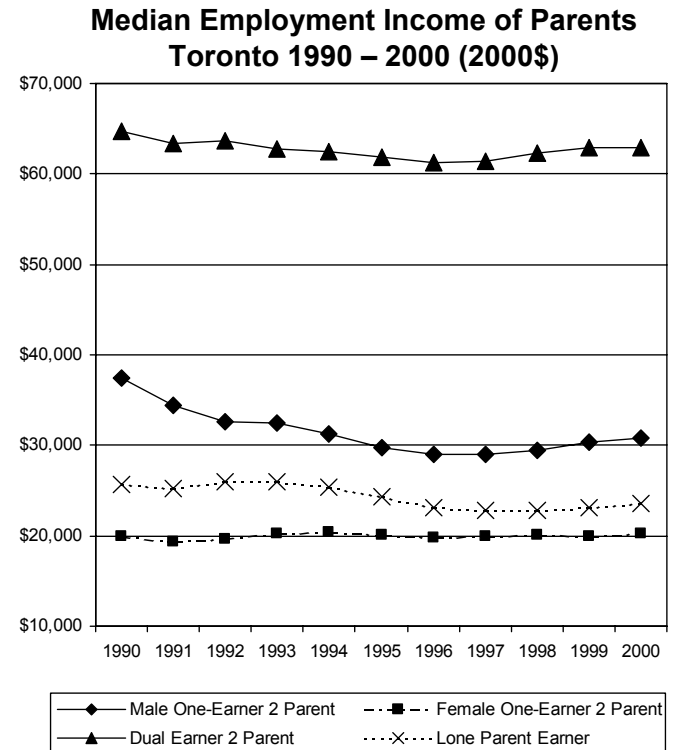
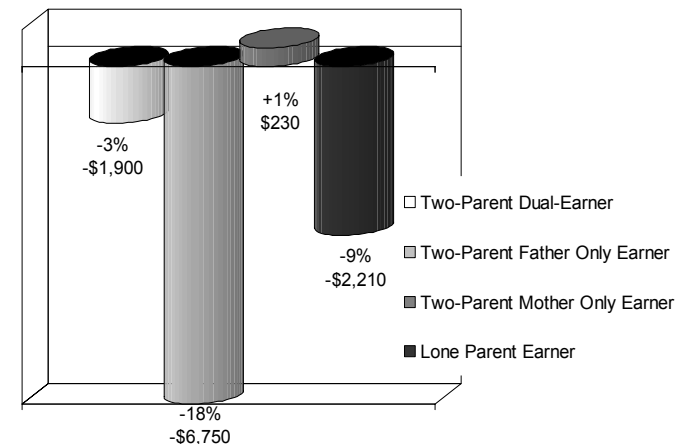


Figure 28 Percent Change in Median Employment Income 1990/2000



Note: Figures 27 & 28: Excludes families in which no parent had employment income and families in which a parent had negative employment income. Income adjusted to annual average change in the Consumer Price Index for Ontario. Source: prepared from Table 13, SAADD, Statistics Canada, 2002.

The Growing Importance of Mothers' Earnings ...

- An important strategy in lowering child poverty rates is to support the employment of parents, particularly mothers.
- In 2000, 43% of single earner husband-wife families earned under \$20,000 and 70% earned under \$40,000.
- 75% of dual earner families had employment incomes over \$40,000. Only 9% had incomes below \$20,000. **Figure 29**
- Mothers' contribution of employment income in dual earner families is growing. In Toronto their average earnings increased by 42% between 1990 and 2000. **Figure 30**
- Among two parent families with employment income in Toronto, the majority (70%) are dual earners. The number of these families increased by 12,890 since 1990. **Figure 31**
- Dual earners make up a bigger percent of two parent families with employment income in Ontario and Canada, (which would contribute to lower child poverty rates).
- The number of two parent families with employment income in Toronto where the father was the only earner fell by 5,490 over the 1990s. The number where the mother was the only earner increased by 2,370.

Figure 30

Mothers' Average Employment Income in Dual-Earner Families

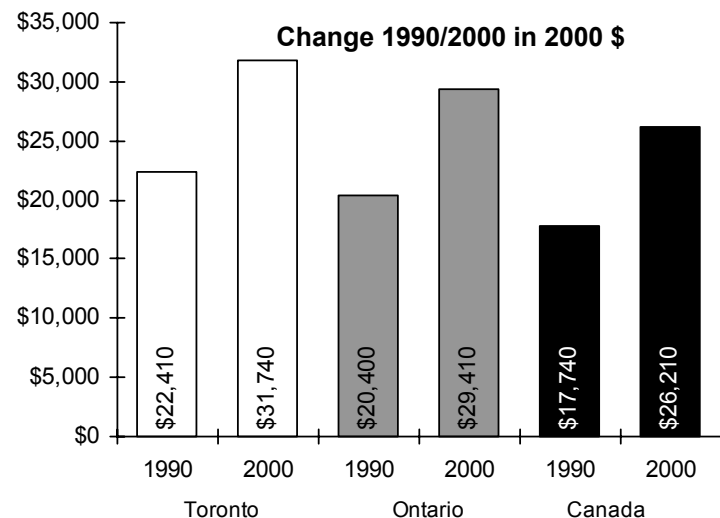
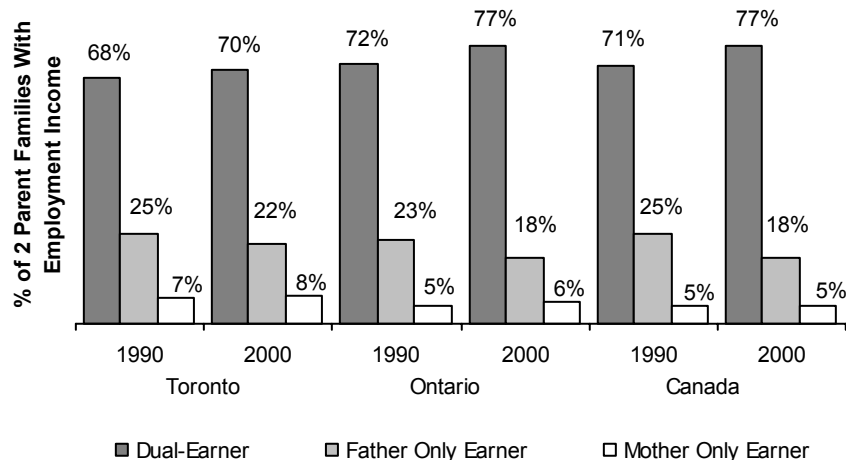


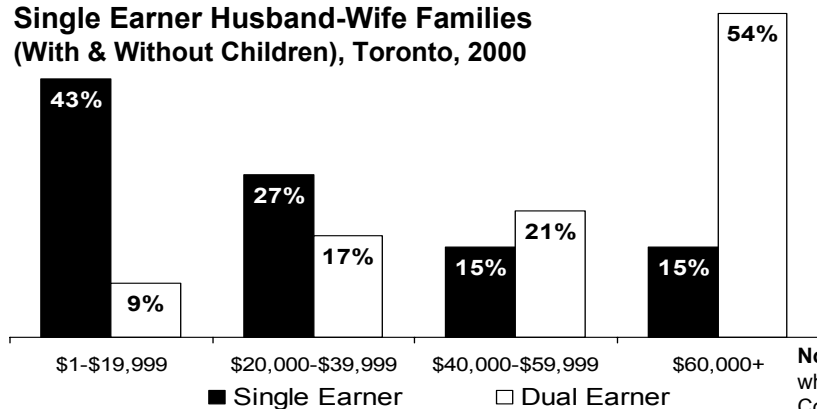
Figure 31

Earners in Two-Parent Families With Employment Income 1990/2000



Note: Figures 29 - 31: Excludes families in which no parent/spouse had employment income and families in which a parent/spouse had negative employment income. Income adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** prepared from Tables 13 & 14, SAADD, Statistics Canada, 2002.

Figure 29 Employment Income of Dual & Single Earner Husband-Wife Families (With & Without Children), Toronto, 2000



- Poverty rates tend to be higher in families with younger children. Policies such as paid parental leave and child care are critical to help parents reconcile work and family responsibilities.

- These issues can be more pronounced among lone parent families. Most lone parent families are mother-led.

- In 2000, 73% of Toronto's lone parent families had employment income, up considerably from 62% in 1995 -- but a lower rate than in 1990 (at 79%). **Figure 32**

- The importance of child care for younger children is illustrated by lone parents' work activity once their children reach school age in the Toronto region (census metropolitan area).

- The proportion of lone parents with full-time work jumps to 62% when their children reach school age (5 to 9 years), up from 51% of parents with pre-school children age 0 to 4 years.

- The proportion of lone parents with no work drops from 33% of lone parent families with pre-school children, to 24% or less for parents of school age children. **Figure 33**

- Average weeks worked also increases for lone parents of school-aged children: to between 33 and 37 weeks, up from an average of 27 weeks for those with pre-schoolers **Figure 33**

Figure 33

Lone Parents: Work Activity by Child's Age Group

Toronto Census Metropolitan Area, 2000

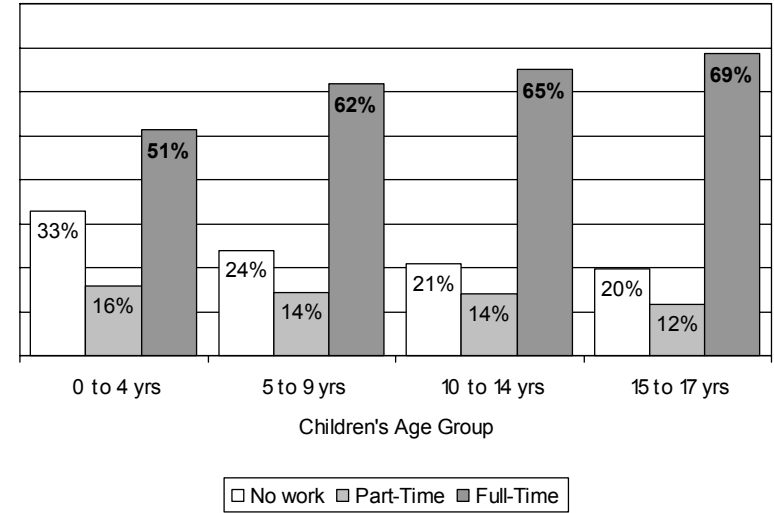
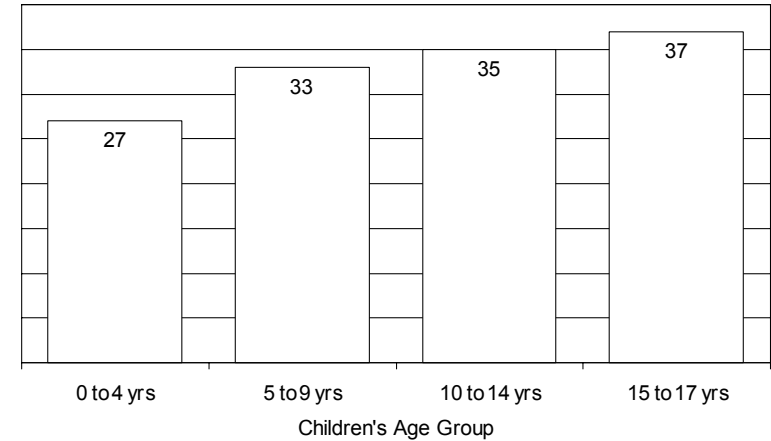


Figure 34

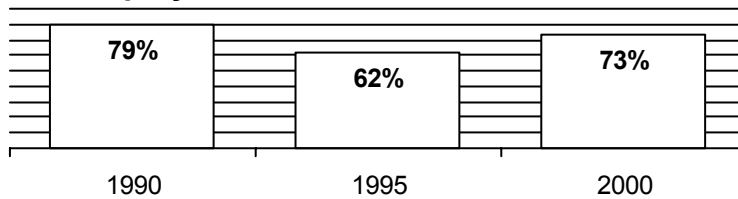
Lone Parents: Average Weeks Worked by Child's Age Group



Source: prepared from 2001 Census, Toronto Census Metropolitan Area, "Work Activity of Parent Age Groups of Children and Family Structure" Statistics Canada, 2003.

Figure 32

Percent of Lone Parent Families With Employment Income: 1990, 1995, 2000



Source: prepared from Tables 5, 6 & 17, SAADD, Statistics Canada, 2002.

3: Changes in Government Income Transfers...

- Lower income families tend to rely more on transfers. Transfer income has declined overall since 1995.

- Most transfer income (58%) is pensions for the elderly, which have kept pace with inflation since 1995. **Figure 35**

- Social Assistance makes up a much smaller proportion of total transfer income (to 14% of the total in 2000 from 23% in 1995), as does Employment Insurance (to 7% of the total from 11%).

- The biggest decline in real dollars since 1995 was in Social Assistance by \$795 million or 46%, and Employment Insurance (EI) by \$368 million or 45%. **Figure 36**

- Higher levels of employment, benefit cuts and changes to eligibility account for the decline in transfer income. But many who got employment are no better off and benefit cuts create deeper poverty for families who still rely on these transfers.

- Since 1995 Child Income Benefits have grown in real dollars (by \$124 million or 30%) to reach \$542 million by 2000. Child benefits now make up 8% of total income transfers to Toronto.

Figure 36
Percent Change In Federal & Provincial Transfers
1995/2000 Toronto Constant 2000 \$

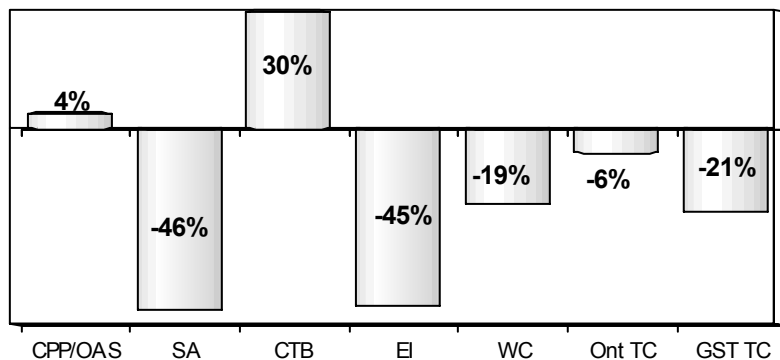
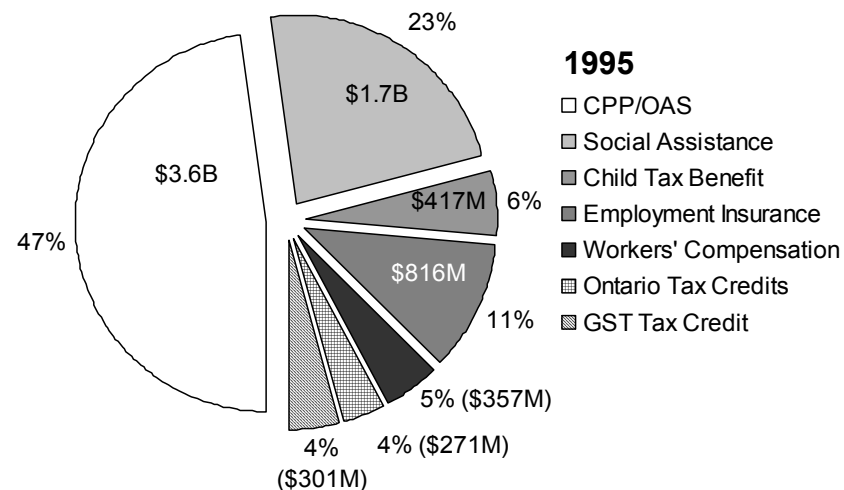
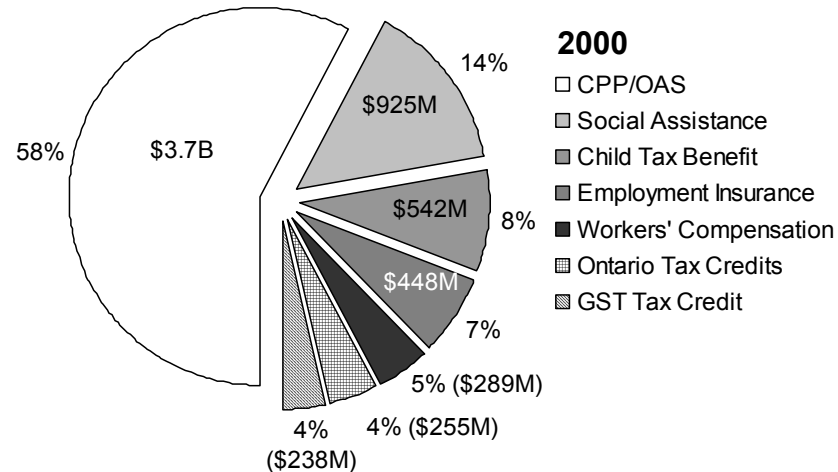


Figure 35

**The Total Transfer Pie: Toronto
1995 & 2000 (2000 \$)**



Notes: B = billion, M = million. Income adjusted to annual average change in the Consumer Price Index for Ontario. **Source:** Figures 35 & 36 prepared from Table 6, SAADD, Statistics Canada, 2002.

Toronto's Changing Mix of Income Transfers to Working Age Families ...

- The mix of transfers for husband-wife and common-law families in Toronto differs considerably from Ontario and Canada. Social Assistance is now more prominent in providing income support than Employment Insurance in Toronto.
- In 1990 Employment Insurance was the single largest transfer to husband-wife families in Toronto, Ontario and Canada -- larger than Social Assistance, Workers' Compensation, and provincial tax credits combined.
- By 1995, Social Assistance replaced Employment Insurance as the single largest transfer in Toronto to husband-wife families. Employment Insurance, however, remained the largest transfer in Ontario and Canada in 1995. **Table 2**
- By 2000 in Toronto, the Child Tax Benefit was the single largest transfer, closely followed by Social Assistance and Employment Insurance. In Ontario and Canada Employment Insurance remained the single largest transfer to husband-wife families and Social Assistance had dropped to the fourth largest transfer.
- For lone parent families in Toronto, Ontario and Canada Social Assistance remains the single largest transfer. The total amount of Social Assistance transferred declined by almost one-half (in nominal dollars). The amount transferred in Child Tax Benefits increased by one-half. **Table 3**

Table 2

**Rank of Transfers to Husband-Wife Families:
2000 & 1995: Toronto, Ontario, Canada.**

	Toronto		Ontario		Canada	
	2000	1995	2000	1995	2000	1995
1	CTB \$343M	SA \$587M	EI \$1.73B	EI \$2.56B	EI \$6.7B	EI \$9.16B
2	SA \$325M	EI \$526M	CTB \$1.53B	SA \$1.95B	CTB \$4.35B	SA \$4.14B
3	EI \$314M	CTB \$254M	WC \$1.2B	WC \$1.34B	WC \$2.87B	CTB \$3.81B
4	TC \$216M	TC \$245M	SA \$1.13B	CTB \$1.28B	SA \$2.78B	WC \$2.76B
5	WC \$208M	WC \$241M	TC \$786M	TC \$900M	TC \$2.29B	TC \$2.45B

Table 3

**Rank of Transfers to Lone-Parent Families:
2000 & 1995: Toronto, Ontario, Canada.**

	Toronto		Ontario		Canada	
	2000	1995	2000	1995	2000	1995
1	SA \$289M	SA \$549M	SA \$1.07B	SA \$2.11B	SA \$2.59B	SA \$4.35B
2	CTB \$199M	CTB \$127M	CTB \$802M	CTB \$509B	CTB \$2.22B	CTB \$1.4B
3	TC \$95M	TC \$77M	TC \$356M	TC \$292M	TC \$1.35B	TC \$734M
4	EI \$48M	EI \$60M	EI \$210M	EI \$233M	EI \$827M	EI \$916M
5	WC \$20M	WC \$19M	WC \$106M	WC \$103M	WC \$287M	WC \$241M

Notes: CTB = Canada Child Tax Benefit, SA = Social Assistance, EI = Employment Insurance, TC = Federal & Provincial Tax Credits & Family Benefits, WC = Workers' Compensation. Canada/Quebec Pension & Old Age Security omitted. \$M = million, \$B = billion. Nominal dollars. **Source:** prepared from Table 6 SAADD, Statistics Canada 2002.

Employment Insurance ...

- In 1990 the unemployment rate in Toronto was 5.5%. By 2000 it was 6.4%, higher than in 1990. **Table 4**
- Though the unemployment rate is higher than in 1990, the number of Employment Insurance recipients is down 44%.
- Increased labour market risks (part-time, temporary, and low/no benefit employment) and changes to rules have made it harder to qualify for Employment Insurance.
- The decline in recipients is largest among those entering or establishing themselves in the labour market. **Figure 37**
- The number of recipients who are youth age 15 to 24 is down 16,000, (70%) and the number who are younger adults age 25 to 34 is down 35,000 (51%).
- Those who cannot access income support and employment programs through Employment Insurance exhaust their savings, turn to family or to social assistance.

Social Assistance ...

- Social Assistance policy under the Ontario Works workfare program emphasises moving people into jobs quickly.
- This policy relies on employment growth, benefit reductions and stricter eligibility requirements rather than skills and educational upgrading and other employment supports.
- Toronto's caseload has dropped to about half of what it was when it peaked in 1994 at the tail end of the recession.
- Surveys indicate most people who leave welfare want and find work, but only 43% are financially better off. Shelter problems, food shortages and other hardships continue.

(Source: City of Toronto, Community and Neighbourhood Services, 2002).

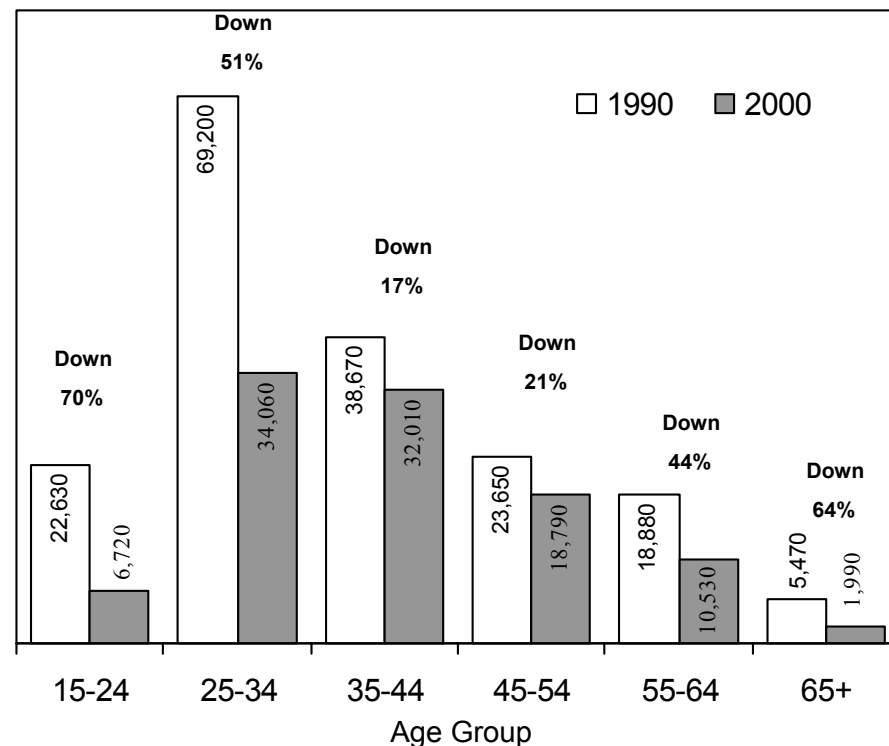
Table 4

Unemployment Rates			
	1990	1995	2000
Toronto	5.5%	9.8%	6.4%
Ontario	6.2%	8.7%	5.7%
Canada	8.1%	9.4%	6.8%

Source: City of Toronto and Statistics Canada 2001.

Figure 37

**Employment Insurance Recipients By Age Group
Toronto, 1990 & 2000**



Source: prepared from Table 12, SAADD, Statistics Canada, 2002.

- One-quarter of those who leave welfare in Toronto work part-time. Most who leave get jobs in high turnover, low wage/benefit occupations vulnerable to economic downturn.

- These lower wage jobs are also sensitive to minimum wage policy. At \$6.85 an hour, it has not been increased since January 1995. Inflation by 2003 has eroded the real earnings of those at (or near) the minimum wage by one-fifth (20%).

- About 20% of those who leave welfare in Toronto return within a year. Lack of education and skills are key factors.

- The number of children on welfare has declined by about one-half (55%) since caseloads peaked in 1994. **Figure 38**

- Many of the parents left welfare to become working poor.

- For those who remain on or return to welfare, benefit levels have been reduced considerably.

- Welfare benefits have not increased in ten years. Ten years of price inflation have reduced purchasing power (for food, shelter, clothing, transportation, etc.) by 20.9%. **Figure 39**

- In 1995, Ontario Works benefits were cut 21.6%. (The rate cut did not apply to Ontario Disability Support Program).

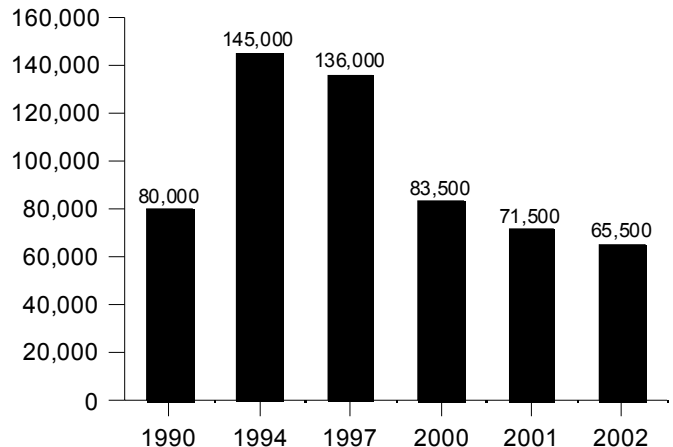
- In 1998 the federal National Child Benefit Supplement (NCBS) was introduced part of the Child Tax Benefit to fight child poverty.

- Parents keep the NCBS, but it is deducted by the province (“clawed back”) dollar for dollar from their welfare allowance.

Figure 38

Children on Welfare

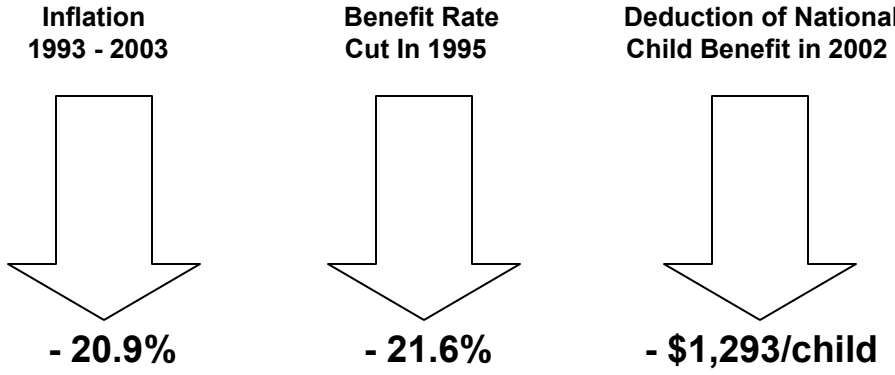
Toronto, Under Age 18



Ontario Works & Ontario Disability Support Program. Sources: Ministry of Community and Social Services/Community, Family & Children’s Services unpublished data (1997, 2003) for 1997, 2000 – 2002; Social Planning Council of Metropolitan Toronto (1997) estimates for 1990 & 1994.

Figure 39

Reductions to Ontario Welfare Benefits



Note: Percent change in Ontario Consumer Price Index annual average for 1994 and average for first quarter of 2003. National Child Benefit Supplement is for first child June 2003.

The Canada Child Tax Benefit ...

- Reductions to transfers and economic growth has not resulted in income gains overall for the poor. Child Tax Benefits, however, are having an anti-poverty impact.

- The Canada Child Tax Benefit is made up of a base benefit that most families receive and National Child Benefit Supplement targeted to lower-income families.

- Benefits are indexed to inflation. Combined benefits will increase to up to \$2,632 in 2003, and to \$3,243 by July 2007.

- The increase in benefits mitigated, but did not fully replace, losses in employment and transfer income for median income poor families.

- In 1998 child benefits represented 20% of the median income for a poor two parent family with two children. **Figure 40**

- By 2000 their total income had fallen. But the child benefit had increased preventing even deeper poverty, and now representing 27% of their income.

- Child benefits will have more impact as they become more adequate. But they are only one part of a comprehensive strategy needed to address child and family poverty.

4: Beyond the Year 2000 ...

Policy Lessons - In 1989 the federal House of Commons resolved to end child poverty by the year 2000. The 2000 income data in this report makes it clear that poor families and children in Toronto have in fact lost ground.

Figure 40

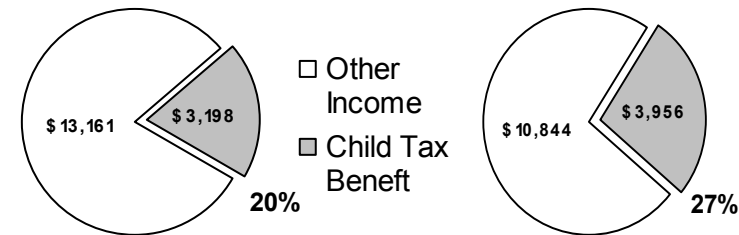
Canada Child Tax Benefit as a % of Total Income For Median Income Poor Families

Toronto 1998 & 2000 (2000 \$)

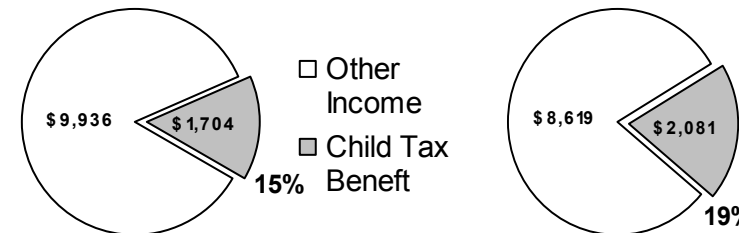
Low Income Two-Parent/Two Child Family

1998

2000



Low Income Lone Parent/One Child Family



Income adjusted to annual average change in the Consumer Price Index for Ontario. Low Income Measure. **Source:** prepared from Table 12, SAADD, Statistics Canada, 2002, and Department of Finance, 2003.

Perhaps one of the greatest lessons is that economic growth and jobs alone are not enough. A strong economy, declining welfare caseloads, and higher levels of employment have not translated into income gains that effectively reduce poverty overall in Toronto or in Ontario.

Far greater emphasis needs to be placed on supporting and investing in people to ensure that everyone shares and gains in economic prosperity. Economic growth and social policy should lead to greater equality among citizens, particularly our youngest, not to greater inequality.

At the same time there are several dimensions to child poverty in Toronto that deserve greater attention. The higher rate of child poverty overall compared with Ontario and Canada points to the need to adequately support parents, particularly mothers, with both work and family responsibilities.

Another dimension is the growing gap in poverty rates between recent immigrants and Canadian-born families. Toronto is an entry point for immigration and settlement. Addressing the issues that affect newcomers should be a priority.

Policy Directions Beyond the Year 2000...

Child Benefits – progress has been which is having an anti-poverty impact both in reducing the depth of poverty and boosting the incomes of those vulnerable to poverty.

The Canada Child Benefit is projected to rise to a maximum of \$3,243 by 2007. This is too long to wait. And the benefit amount is too far short of targets for an adequate benefit, (estimated at \$4,200 per child). The federal government should raise the benefit sooner.

The National Child Benefit Supplement portion of the child tax benefit is targeted to lower income families. It should help all low income children. But it is deducted from among the poorest children: those on welfare. The clawback of the NCBS from welfare should be rescinded.

Child Care – Toronto has more younger children. Most working two parent families are dual earners. Most lone parent families have employment earnings. Child care is a key employment support to enable parents to work, particularly mothers, and to assist them in increasing their earning capacity.

Good quality care is also preventative policy. Giving children a good start in life reduces the likelihood of a future of low wages and low income.

Some recognition of the importance of early education has occurred through the development of parent education and child health promotion programs. But the essential and core program – quality child care – has been neglected. The province has received more than \$266 million in federal early childhood development money and has not spent any of it on child care.

In fact, Ontario's funding for licensed quality child care has been reduced. The City of Toronto has subsequently eliminated 1,616 child care subsidies and hundreds of more subsidies are at risk.

The federal government has also taken a step towards creating a national child care program and is dedicating \$935 million over 5 years. But most of this money will not come for several years yet. These investments are needed now and should be moved forward.

The province should also make new investments in child care and work in cooperation with the federal government to support families and their children.

Employment Insurance (EI) - The federal government has made changes to EI to better accommodate parental/maternity leaves. This is a positive step and underpins how important EI is to support working families.

Levels of EI coverage of the unemployed in Toronto, however, have declined dramatically in Toronto. Levels of coverage of the unemployed should be improved to better support parents and to prevent families from falling onto welfare.

Access to Training and Education - Economic growth is not enough to assist those who need education and skills better suited to today's labour market. Without access to training and education they are more likely to cycle through low-wage jobs, and get trapped in a revolving door between welfare and work..

The prospects of young people and the contribution they make to the workforce is very much tied to having access to a higher education. But rising tuitions (by 70% since 1995) and student debts are significant barriers. Young people from families who are well off are 2.5 times more likely to attend university than young people from low income families.

Access to adult education, training and post-secondary education must be improved.

Minimum Wages – The minimum wage must be raised. It has not been raised in Ontario since 1995. That is twice as long as any other province has taken to raise their minimum wage. Indeed, seven of ten provinces have raised their minimum wages within the past year.

A person working full time in Ontario should not be poor. A \$10 an hour minimum wage would allow a single person to just reach the Low Income Cut-Off.

Social Assistance – Welfare is the program of last resort for people with little or no income. Children under age 18 are one of the single largest groups of beneficiaries.

Ten years of inflation and a 22% cut to benefits in 1995 have taken their toll. It is increasingly difficult for parents to pay just for the basics of rent, food and clothing.

The average rent for a 2 bedroom apartment in Toronto is about \$1,030/month. The shelter portion of welfare is \$511 for a lone parent and child. Their total allowance is \$957.

Benefit rates for Ontario Works and Ontario Disability Support must be raised to adequately meet basic needs and should be indexed to inflation.

Housing – Median incomes are \$14,080 for a poor two-parent family and \$13,100 for a poor lone parent family. Average rent for a two-bedroom apartment is about \$12,360 per year. Little wonder there is a housing crisis in Toronto.

And that crisis is taking its toll. Toronto has an estimated 1,000 children in homeless shelters every night. Inadequate housing is a factor in 21% of admissions into the Children's Aid Society of Toronto.

The province must get back into the production of new affordable social housing units, strengthen rent controls, raise welfare shelter allowances, and create a new shelter allowance program for the working poor.

Ethno-Racial Diversity – Canada's child poverty problem hits Toronto's diverse and multicultural community hard. And the child poverty rate for newcomer parents has increased significantly each decade for the past three decades.

Addressing broad issues such as child benefits, child care, housing, adequate income support, training and education

and so on are critical supports for all families. There are other barriers, however, that immigrants and ethno-racial groups face that need to be recognised through improved settlement services, access to trades and professions, and employment equity.

Assuring Child Support – Lone parent families are growing in number and as a proportion of families with children. The rate and duration of poverty among children in these families is high.

Large arrears in child support and backlogs of unprocessed court orders with the Ontario Family Responsibility Office have been reported. Ontario's system of child support must provide responsive service in processing and enforcing court orders.

More public policy consideration should be placed on the children who rely on support payments. Many countries have systems that assure children regular and uninterrupted payments through government assistance. Action is needed to provide Ontario's children with similar rights and benefits.

Suburban Neighbourhoods - There are large numbers of poor children in Toronto's suburban neighbourhoods and rapidly growing numbers in the regions surrounding Toronto. This has implications for planning in areas such as housing, transportation and community services. The strongest predictor of children's participation in sports, the arts and community programs, for example, is family income. Greater attention is needed to developing services and supports appropriate to low and modest income families in these areas.

About Campaign 2000 ...

Campaign 2000 urges a comprehensive mix of income security, early childhood education and care, housing, and employment policies to eliminate child poverty.

Campaign 2000 is a national movement seeking implementation of the 1989 House of Commons resolution which sought to end child poverty by the year 2000. It is a non-partisan coalition of over 85 national, provincial and community partners. Community partners in Toronto include the Children's Aid Society of Toronto, the Toronto Coalition for Better Child Care and the Family Service Association of Toronto.

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For more information contact:

**Colin Hughes
Children's Aid Society of Toronto
15 Huntley St. Toronto, Ontario M4Y 2K9**

**Phone: 416-924-4640 x 3108;
e-mail chughes@torontocas.ca**