

20 Years Lost:

The Poverty Generation

HOUSE OF COMMONS

Friday, November 24, 1989

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

ALLOTTED DAY, S.O. 81--ELIMINATING POVERTY AMONG
CANADIAN CHILDREN

Hon. Edward Broadbent (Oshawa) moved:

That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

Hon. Lloyd Axworthy (Winnipeg South Centre) seconded motion.

2009 Manitoba Child & Family Poverty Report Card
Social Planning Council of Winnipeg
November 24, 2009

Acknowledgements

The data for this report card were made available through the collaborative support of National Campaign 2000, Canadian Council on Social Development (CCSD), and the Social Planning and Research Council of British Columbia (SPARC BC). This report card has been developed by the local Campaign 2000 Continues Steering Committee of the Social Planning Council of Winnipeg.

In addition, the Social Planning Council of Winnipeg wishes to acknowledge United Way Winnipeg for providing funding assistance.



Data Sources

Most data were prepared by the Canadian Council on Social Development for Campaign 2000 using Statistics Canada's Census Data and Survey of Labour and Income Dynamics (SLID) master file data and by the Social Planning and Research Council of BC using Statistics Canada's Income Trends in Canada 1980-2006. Other sources can be found in the endnotes.

Campaign 2000

Campaign 2000 is a non-partisan, cross-Canada coalition of more than 120 national, provincial and community organizations committed to working together to end child and family poverty in Canada. Campaign 2000 evolved out of a unanimous resolution passed by the House of Commons in November, 1989, which called for the elimination of child poverty in Canada by the year 2000.

"This House... seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."

- Unanimous all-party resolution
Social Planning Council of Winnipeg



END CHILD & FAMILY POVERTY IN CANADA

The Social Planning Council of Winnipeg (SPC) is a membership-based organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes. This involves working with diverse communities in identifying and assessing community issues, needs and resources; and working with policy-makers, funding agencies, service providers, ethnocultural and Aboriginal groups, and the general public in Winnipeg to respond to socio-economic issues and needs.

The Manitoba Campaign 2000 Network is a coalition of more than 100 organizations, locally organized under the sponsorship of the Social Planning Council of Winnipeg, dedicated to the support of Campaign 2000 initiatives within Manitoba.



This report is available for download at:
www.spcw.mb.ca.

To request a bound copy, please contact:
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This House "seek(s) to achieve the goal of eliminating poverty among Canadian children by the year 2000". - House of Commons resolution, November, 1989

Manitoba Child and Family Poverty Report Card

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One is too many

One child is too many children living in poverty. In Manitoba, 47,000 children live in poverty. Manitoba is once again the Child Poverty Capital of Canada.

One year is too many years for a child to live in poverty. In the last 6 years nearly 40 per cent of Manitoba children have lived in poverty for at least one year.

One year is too many years to lose in the fight against child poverty. In Manitoba, 20 years have been lost in that fight.

It was 20 years ago today – November 24, 1989 – that every member of the House of Commons stood in his or her place to vote for the following resolution:

“This House seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000.”

Child and Family Poverty Report Card 2009 is an annual report by the Social Planning Council of Winnipeg, in cooperation with Campaign 2000, a national organization dedicated to holding the House of Commons to its promise.

This report wasn't intended to be a perennial. The people who write it and issue it would be happy to do other things.

But until child poverty is eliminated, the Social Planning Council of Winnipeg, Campaign 2000 and our many partner organizations will continue to speak out on behalf of society's youngest and most vulnerable citizens.

All the children living in poverty today have been born since the members of the House of Commons passed the resolution to eliminate child poverty.

Their generation had every right to hope for something better. Their generation could have been the beginning of a poverty-free Canada.

No one can blame a child for being poor. Nor should their parents be blamed.

This report demonstrates that many parents work long, hard hours in low-wage jobs, but still can't afford to feed their families. Others may be single parents or have long-term disabilities.

With some minor exceptions, Manitoba's rates for Employment and Income Assistance (welfare) have been frozen since 1992 – longer under the current New Democratic Party government than they were under the previous Progressive Conservative government.

Instead of keeping the promise and adopting an enlightened blend of federal and provincial policies designed to eliminate child poverty, politicians of all parties at all levels of government have allowed it to continue.

The continued generation of poverty has created the Poverty Generation.

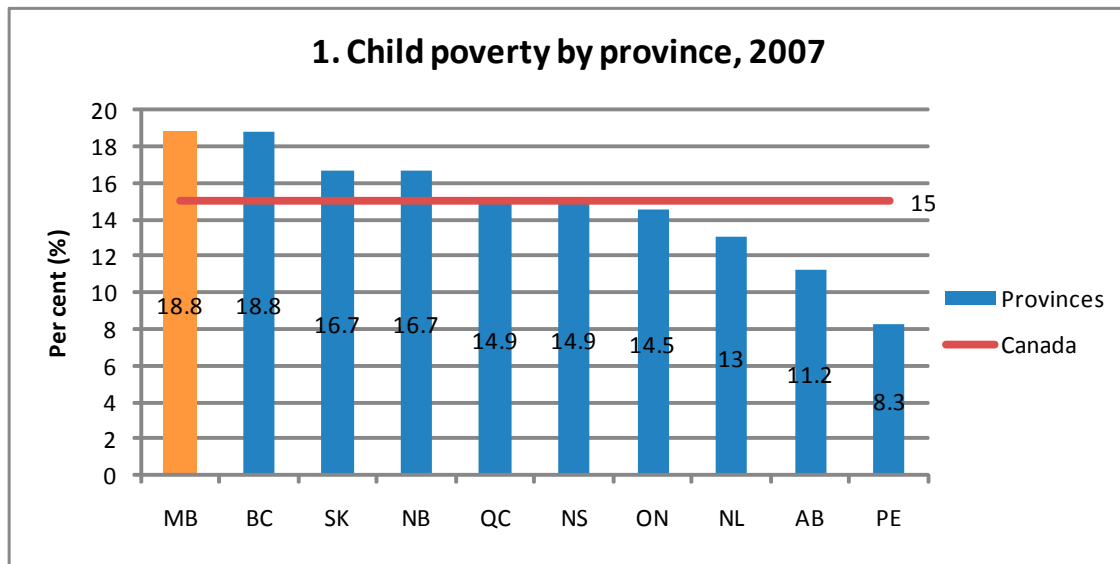
This report is dedicated to the Poverty Generation.

Too many children live in poverty

In Manitoba, 47,000 children live in poverty.

That's 18.8 per cent of all children, nearly one in five.

Manitoba is once again the Child Poverty Capital of Canada, tied with British Columbia for having the highest number of citizens under the age of 18 living in poverty. That's almost four percentage points above the national average.



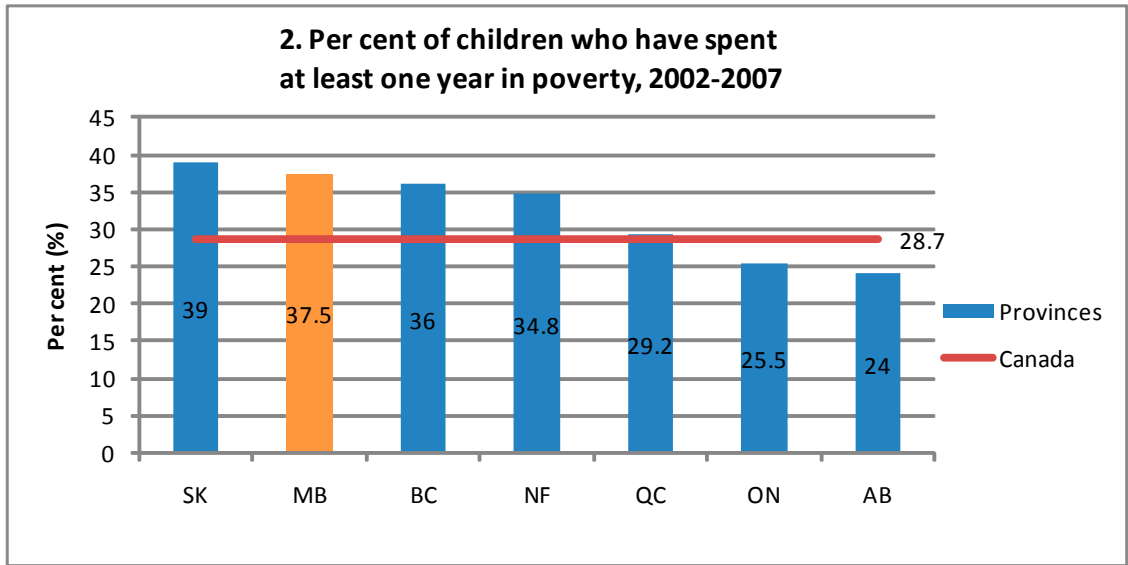
Graph 1 shows the percentage of children living in families whose incomes were below the Low Income Cut-off (Before-Tax.) Manitoba is tied with British Columbia for Child Poverty Capital of Canada.¹

Too many children have spent at least one year in poverty

Nearly four in 10 Manitoba children – 37.5 per cent – have experienced poverty for at least one year of the last six. That's almost 10 percentage points above the national percentage.

Studies have shown that even one year in poverty in childhood can have far-reaching negative effects on the rest of a person's life – even beyond retirement.² Poverty is one of the key social determinants of health. Life is shorter for the poor, especially the urban poor in Winnipeg and Brandon. For men in the lowest income city neighbourhoods, life expectancy is 10 years less than for their richer counterparts.³

Children in Manitoba who experience poverty for at least one year spend an average of 1.4 years in poverty, 0.2 above the national average.



Graph 2 shows the percentage of children living in families who spent at least one year of the last six with incomes below the Low Income Cut-off (Before-Tax.) Manitoba is second only to Saskatchewan for having the most children who have spent at least one year in poverty.⁴

Too many years as the Child Poverty Capital of Canada

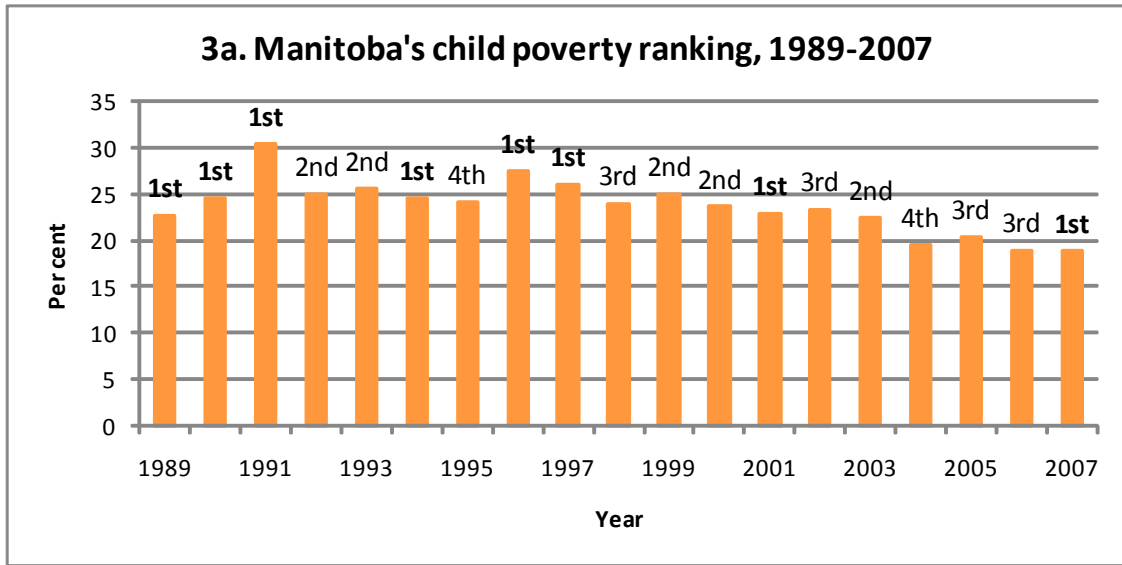
Manitoba has been a “leader” in child poverty in the 20 years since the House of Commons passed the resolution to end child poverty.

This province has not been a leader in fighting child poverty. It has been a leader in creating it.

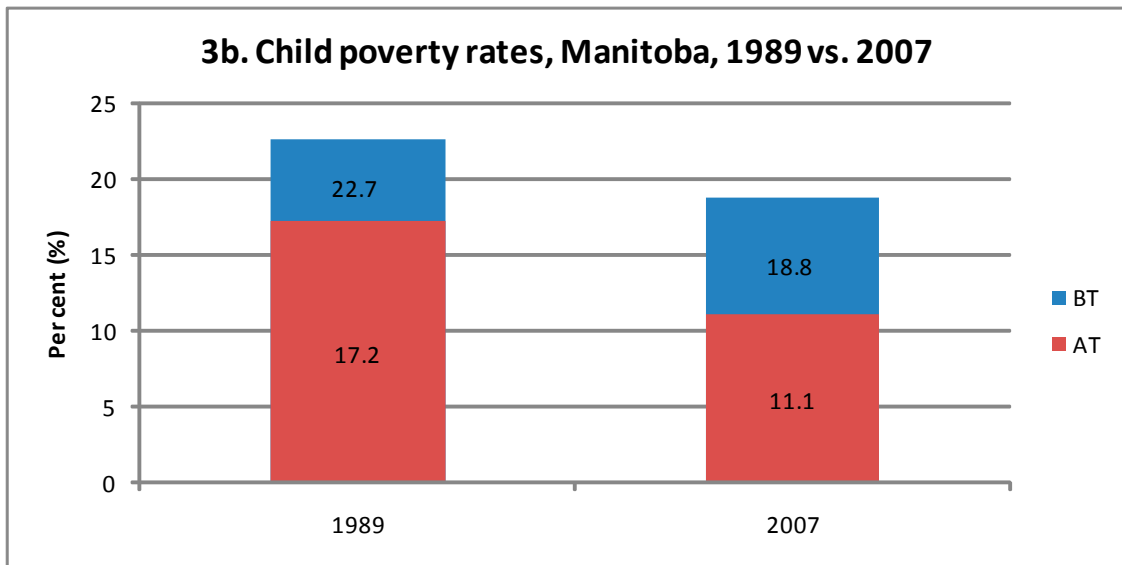
Manitoba was the Child Poverty Capital of Canada in 1989, 1990, 1991, 1994, 1996, 1997, 2001 and 2007 -- a total of eight years out of the 20 since the resolution was passed. It has been in the top three for all but two of those years.

The decrease from 22.7 per cent in 1989 to 18.8 per cent in 2007 does not show significant leadership in reducing and eliminating child poverty in Manitoba.

Manitoba
Child poverty Capital of Canada



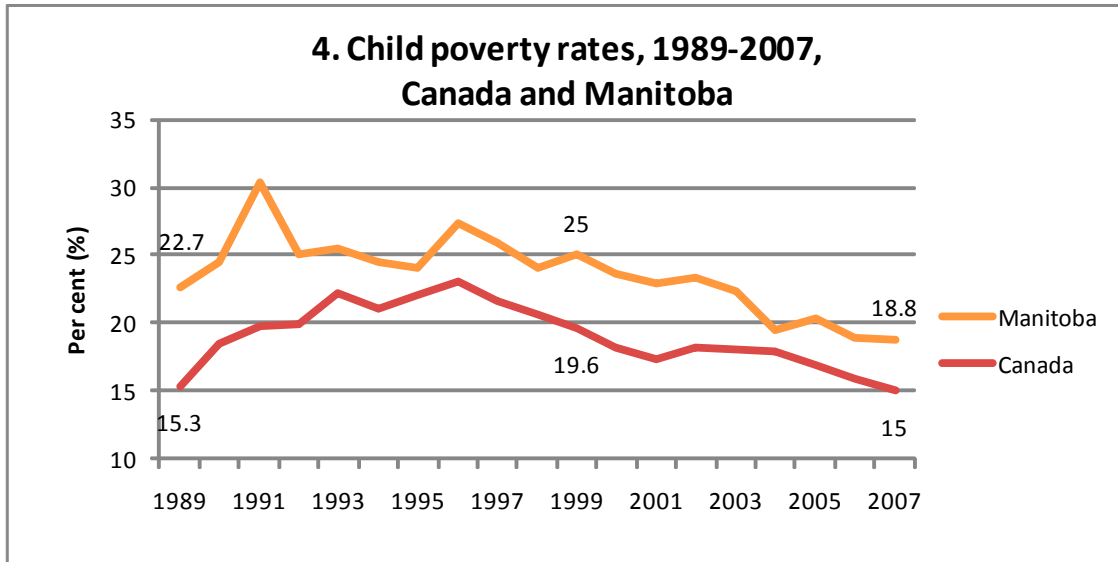
Graph 3a below shows Manitoba was Child Poverty Capital for eight of the last 20 years, and was in the top three for all but two of those years. Child Poverty Capital is defined as having the greatest number of people under age 18 living in families below the Low Income Cut-off (Before-Tax.)⁵



Graph 3b shows the child poverty rate in Manitoba for children living in families with incomes below the Low Income Cut-off (After Tax) and the Low Income Cut-off (Before Tax.) The child poverty rate measured by LICO-BT has been reduced by fewer than four percentage points during the 20 years it was supposed to be eliminated.⁶

Too many years above the national average

Manitoba has been above the national average for child poverty every year since 1989. Manitoba's rate of child poverty has ranged from a low of 1.5 to a high of 10.6 percentage points above the Canadian mark, an average 4.6 percentage points above it.



Graph 4 shows the percentage of children living in families with incomes below the Low Income Cut-off (Before-Tax) in Manitoba and Canada. Manitoba has been above the national average every year since 1989.⁷

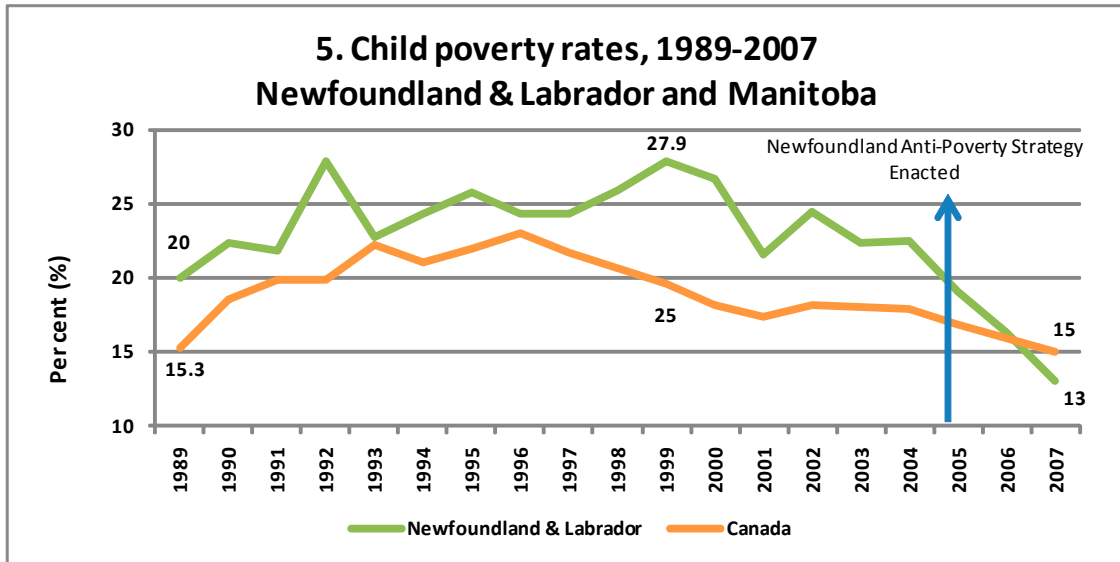
Other provinces have taken action

Manitoba has not enacted a comprehensive anti-poverty strategy with timelines and targets.

With comprehensive anti-poverty strategies in place, both Newfoundland and Quebec demonstrate rates below the national rate, at 13 per cent and 14.9 per cent respectively.

Since adopting its anti-poverty strategy, Newfoundland's rate of child poverty has plummeted, and is now 5.8 percentage points, or almost one-third, lower than Manitoba's rate, as measured by the Low Income Cut-off (Before Tax.)

Graph 5 below shows how the child poverty rate in Newfoundland & Labrador plunged below Manitoba's rate immediately after that province adopted a comprehensive anti-poverty strategy with timelines and targets. Manitoba has not adopted a comprehensive anti-poverty strategy with timelines and targets.⁸



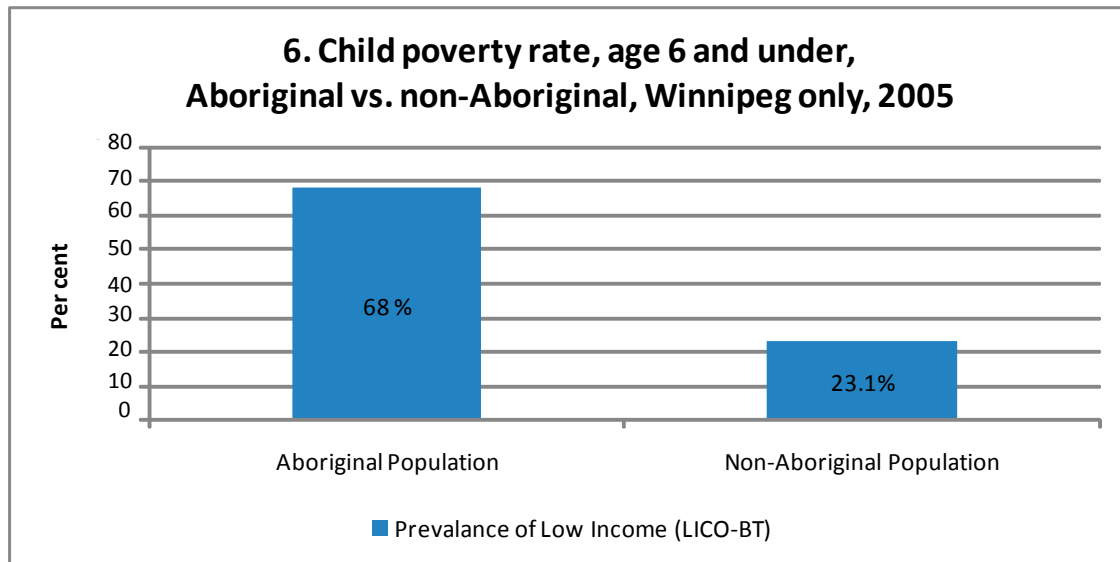
Too many Aboriginal children in poverty

The children most likely to live in poverty in Winnipeg and Manitoba are in families in which at least one parent identifies with Aboriginal heritage. This is particularly noticeable in children under six years of age.

An Aboriginal child under six living in the city of Winnipeg is three times as likely to live in poverty as a non-Aboriginal child. Among all Aboriginal children under six in Winnipeg, 68 per cent – or nearly seven in 10 – live in families with incomes below the Low Income Cut-off (Before Tax.)

There are also too many children of recent immigrants and refugees living in poverty. The Social Planning Council of Winnipeg recently published a Poverty Barometer which showed one in three children of recent immigrants lived in poverty. That report is available for free download at spcw.mb.ca.

3x more likely to live in poverty



Graph 6 shows the child poverty rate among children age six and less in Aboriginal families in Winnipeg is more than three times the rate for non-Aboriginal children age six and less – which is also unacceptably high.⁹

Too many families trapped in poverty by low-wage jobs

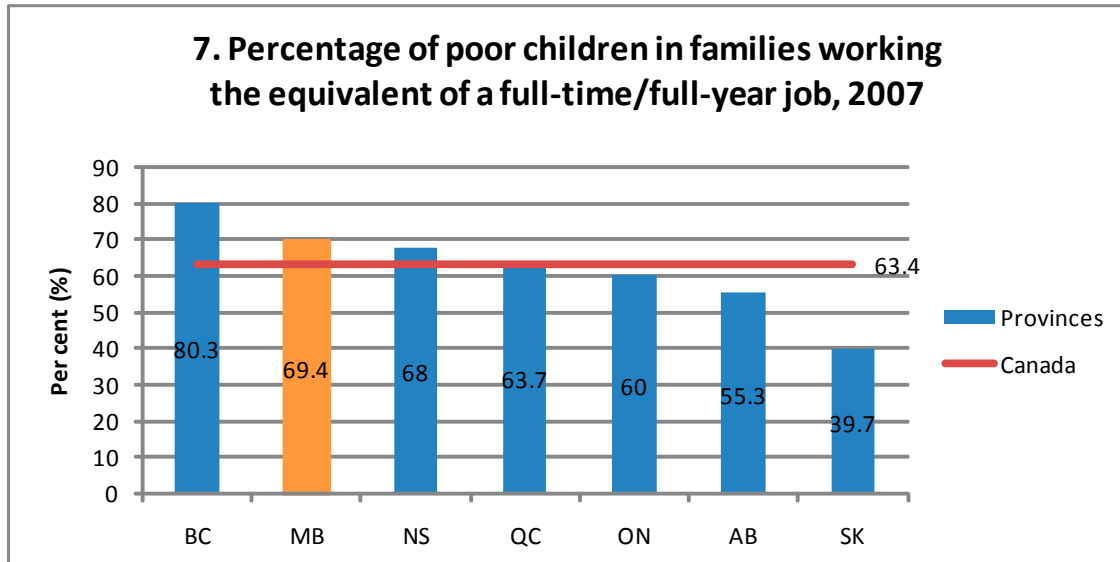
Many politicians and commentators like to say: “The best social policy is a job.”

Many people believe that children live in poverty because their parents do not work, but depend on welfare as their primary source of income.

This isn't true. In fact, seven out of 10 of the children living in poverty are in families in which the parents work the equivalent of a full-time, full-year job. They are the working poor.

A job is not a guaranteed route out of poverty.

*A job is not a guaranteed
route out of poverty*



Graph 7 shows the percentage of all poor children, living in families with incomes below the Low Income Cut-off (Before Tax) in which the parents worked the equivalent of at least one full-time, full-year job. That’s defined as at least 30 hours a week, 49 to 52 weeks a year. Low wage rates trap parents in jobs that pay less than is needed to support their children.¹⁰

In most years since 1989, Manitoba has had the highest percentage of children living in poverty, despite the fact their parents are working the equivalent of a full-time, full-year job. British Columbia surpassed Manitoba this year. However, Manitoba remains second and above the national average.

Minimum wage is minimum help

There are not enough good jobs with good wages.

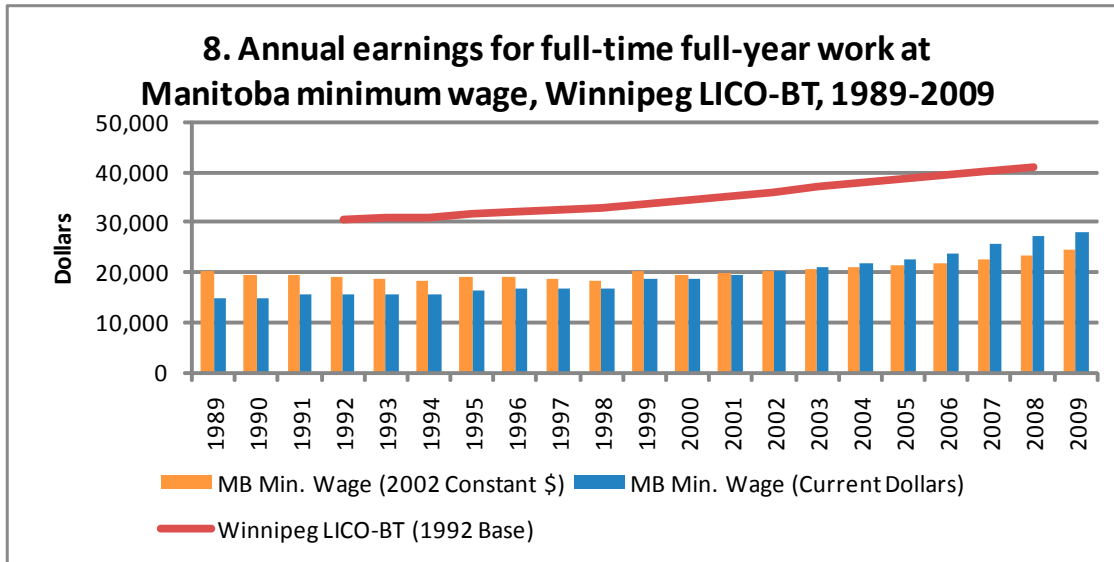
Since 1989, the value of the minimum wage has eroded considerably in Manitoba.

While the nominal value of the minimum wage appears to be increasing, once inflation is taken into account, the real value has remained virtually the same, as shown by Graph 8.

The graph shows workers who earn minimum wage at full-time, full-year jobs are falling further below the Low Income Cut-off (Before Tax.)

In 2009, a parent with two children working at the minimum wage would have to work more than 70 hours per week just to meet the LICO-BT for a three-person household in Winnipeg.

One in five jobs in Manitoba are classified as low-wage, earning less than \$10 per hour.¹¹



Graph 8 shows the annual earnings of two workers for full-time, full-year work at minimum wage and the Low Income Cut-off (Before Tax) for a two-adult, two-child family living and working in Winnipeg. The gap between what parents can earn on minimum wage and what is needed to support a family is growing.¹²

Core housing need

Manitoba has the second-highest number of Aboriginal people living in core housing need off reserve – 22.4 per cent*, two percentage points above the Canadian average (* Does not include core housing need for First Nations people living on reserve.)

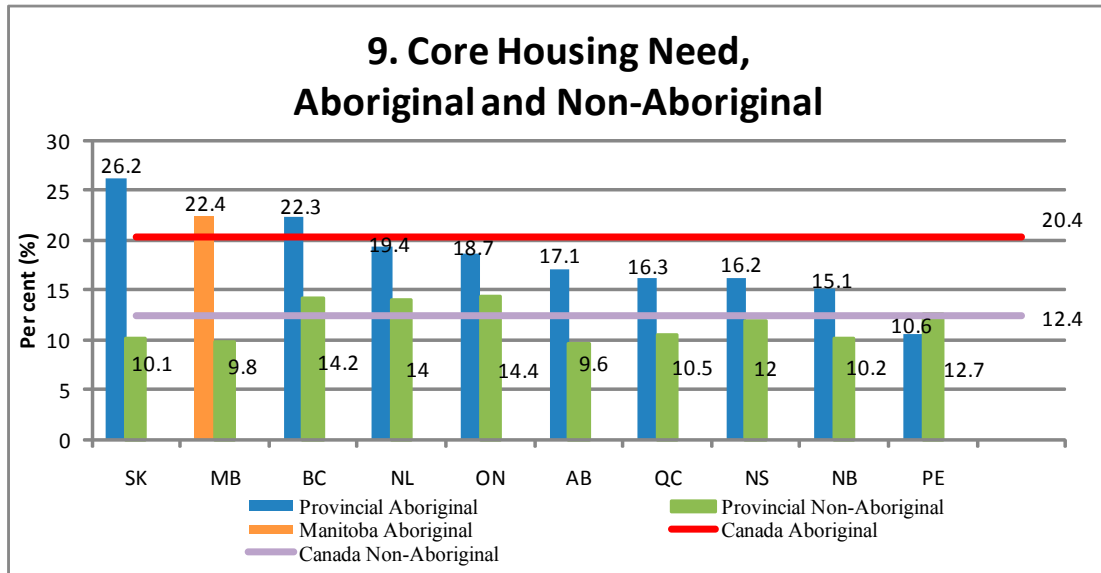
Core housing need among non-Aboriginal people in Manitoba is nearly 10 per cent.

Core housing need is defined by Canada Mortgage and Housing Corporation (CMHC) as housing that does not meet three requirements:

- 1) Adequate: Not requiring any major repairs;
- 2) Suitable: Enough rooms and size to accommodate the residents; and
- 3) Affordable: Costing less than 30 per cent of household income before tax.

Winnipeg’s vacancy rate, which hovers at or below one per cent, is not conducive to keeping rental rates below 30 per cent of income.

An individual working 30 hours per week at \$9 per hour will gross \$1,080 in a four-week month. Thirty per cent of that would provide \$324 per month for housing. The average bachelor apartment in 2008 in Winnipeg was \$464 a month, or 43 per cent of that individual's income, well above the definition of affordable housing.



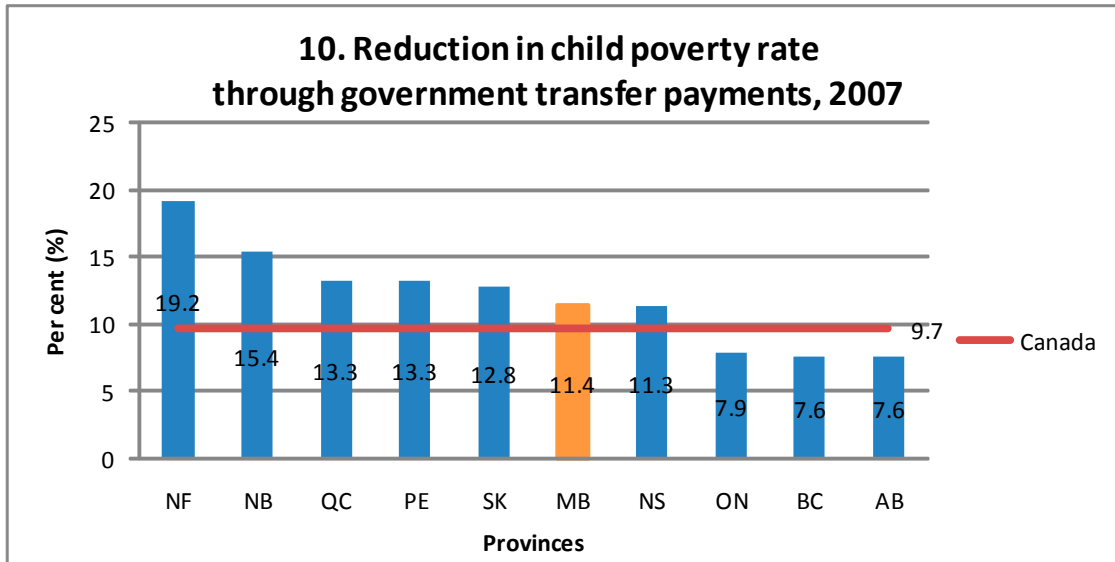
Graph 9 shows the percentage of the overall population in core housing need. Manitoba has the second highest level of core housing need among Aboriginal people living off reserve. This graph does not reflect the core housing need among First Nations people living on reserve.¹³

Government's role in mitigating child poverty

While Manitoba has not tackled child poverty with a comprehensive plan that includes timelines and targets, government does play a positive role in preventing or reducing child poverty in some cases.

Government transfer payments that help mitigate the effects of child poverty include Employment and Income Assistance, Employment Insurance, Workers' Compensation and other measures of the social safety net.

In 2007, the child poverty rate in Manitoba was reduced by 11.4 percentage points through federal and provincial government transfer payments of various kinds. That was slightly better than the national percentage of 9.7 per cent, but well below the 19.2 per cent achieved by Newfoundland & Labrador with its comprehensive anti-poverty strategy.



Graph 10 shows the percentage of children who would have fallen below the Low Income Cut-off (Before Tax) without government transfer payments of various kinds.¹⁴

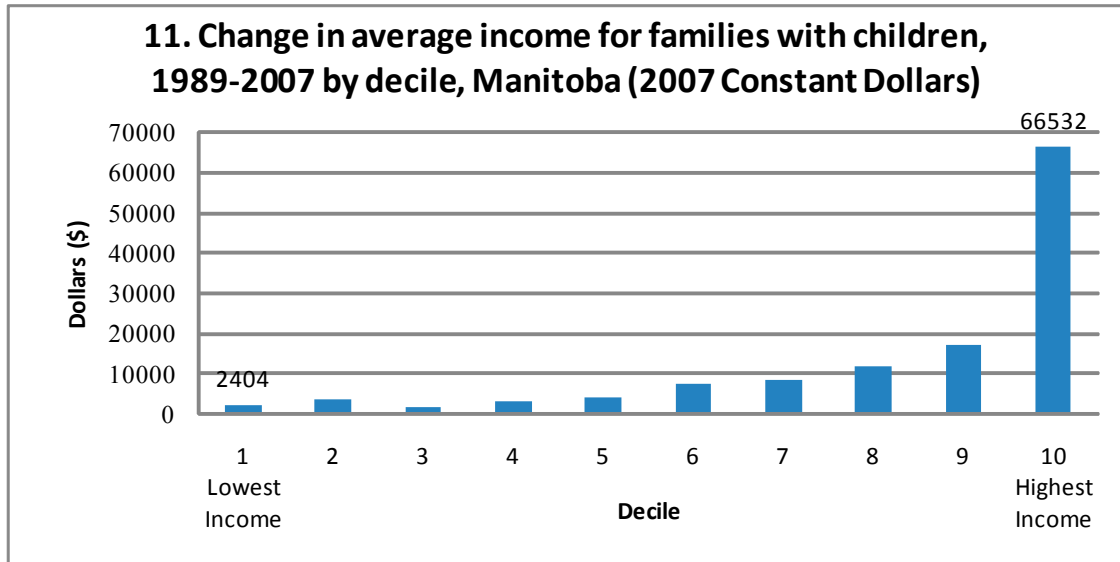
Too wide a gap between rich and poor

When the population of families with children is divided into 10 equal groups based on the levels of their income, the poorest 10 per cent have gained little in the last 20 years, while those in the top 10 per cent have gained a great deal. For every dollar gained by the poorest 10 per cent, the richest 10 per cent gained \$27.68.

The richest 10 per cent of families with children increased their average income by 45 per cent since 1989. The poorest 10 per cent increased their average income by only 14 per cent. In 2007, the richest 10 per cent of families with children had incomes more than 11 times that of the poorest.

During years of strong economic growth, children in poor families fell further behind. Without strong action on their behalf, they are likely to fall even further behind during the current recession.

For every dollar gained by the poorest 10 per cent,
the richest 10 per cent gained \$27.68



Graph 11 shows the top 10 per cent of families with children increasing their income by almost 30 times as much as the poorest 10 per cent from 1989 to 2007. Ordinary Manitobans – modest- and middle-income earners have also watched the benefits of economic growth go disproportionately to the top 10 per cent.¹⁵

Too deep in poverty

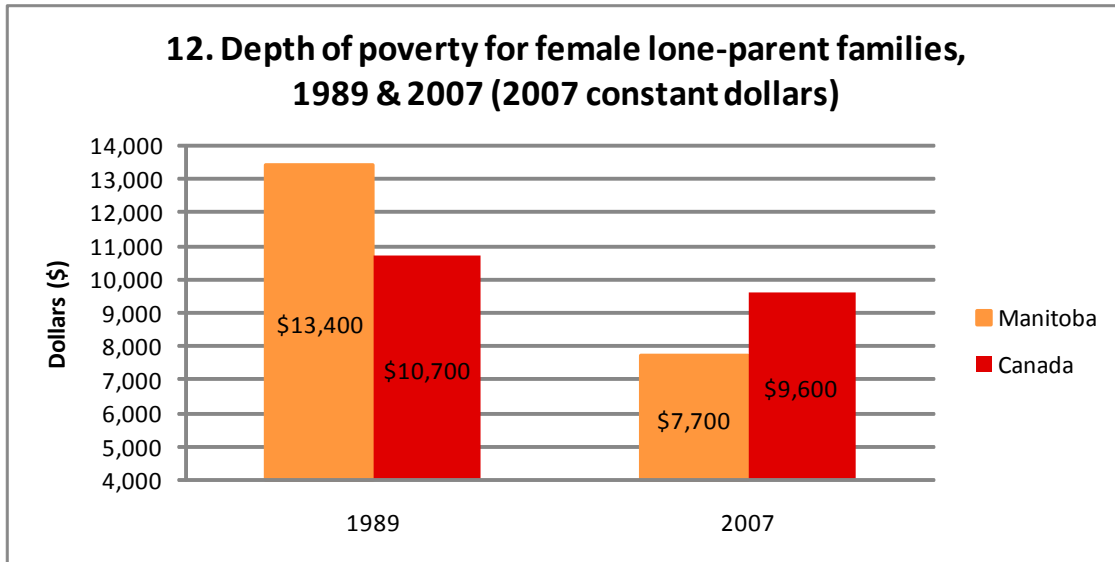
Depth of poverty measures the gap between the family’s income and what it would be earning at the Low Income Cut-off (Before Tax.)

Children in almost half of all female lone-parent families live in poverty

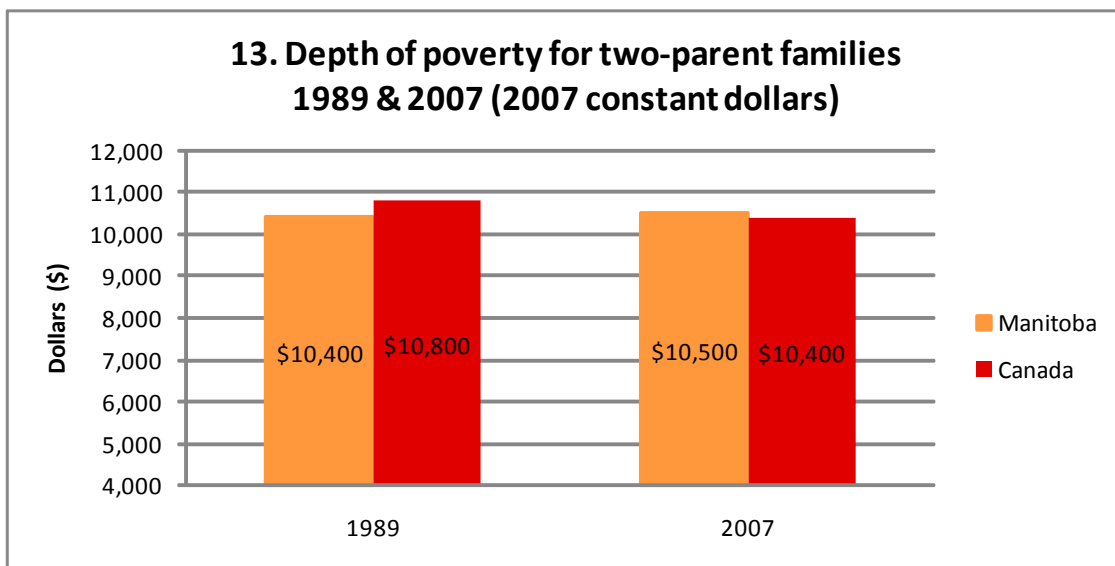
Children in almost half of all female lone-parent families live in poverty, falling short of LICO-BT by an average \$7,700. That gap has been reduced over the past 20 years and is below the national average.

The gap has increased for children living in families headed by two parents -- an average \$10,500 short of the line. It has gone from slightly below to slightly above the national average.

The child poverty rate among two-parent families has dropped by a meager 1.3 percentage points since 1989. At 14.7 per cent, Manitoba is 4.1 percentage points above the national rate.



Graph 12 shows the gap between the average earnings in families headed by female lone parents and the Low Income Cut-off (Before Tax.) The gap for those families in Manitoba is now less than the national average. Almost half of all Manitoba families headed by female lone parents live in poverty.¹⁶



Graph 13 shows the gap between the average earnings in families headed by two parents and the Low Income Cut-off (Before Tax.) The gap for those families in Manitoba is now slightly more than the national average. The child poverty rate among two-parent families in Manitoba is more than four percentage points above the national average.¹⁷

What's a LICO?

Canada does not have an official poverty line. Statistics Canada uses a measure known as Low Income Cut-off (LICO.)

Families which must spend at least 20 percentage points more of their income than the Canadian average on food, shelter and clothing are considered low income by Statistics Canada.

The dollar amount of the LICO varies depending on the size of the family and where they live.

Before-tax LICO is the minimum amount a family needs to feed, clothe and house themselves before income tax is deducted.

It's based on the family's total income – how much it earns from work, investment or government programs, such as Old Age Security, Employment Insurance and social assistance.

After-tax LICO is the minimum amount a family needs to feed, clothe and house themselves after income tax is deducted.

It's based on the family's disposable income – total income minus income tax.

Most figures in this report are based on Before-Tax LICO.

Recommendations

The Social Planning Council welcomes the recent report, *Poverty in Sight: A Winnipeg Perspective*, by the United Way of Winnipeg Urban Exchange.

Regardless of how they saw poverty in their own neighbourhoods, more than 80 per cent of Winnipeggers in the survey said poverty was a serious problem, with more than 37 per cent identifying it as “very serious” and more than 12 per cent calling it “the most serious problem facing the city.”

Elected leaders should take note of these figures in their political calculations. Working with the community to devise a comprehensive poverty reduction and elimination plan is the right thing to do. It’s also good politics.

City of Winnipeg

- Create a standing poverty committee or broaden the mandate of Citizen Equity Committee to consider the effects of city policies and decisions on those living in poverty.
- Ensure that all low income Winnipeggers, including participants in the Employment and Income Assistance program, have access to public transportation through the provision of free bus passes during off-peak hours, or are eligible for a special low income rate.
- Ensure recreation is universally and locally available to children in low income families.
- Establish living wage by-laws to govern service contracting. This would legislate payment of a living wage as a criterion in selecting contractors.

Province of Manitoba

Income Security

- Ensure that all Manitobans receive a sufficient income to meet their basic needs and participate fully in community life.
- Employment and Income Assistance (EIA)
- Within one to 2 years, increase EIA benefits for all categories to the present value of 1992 levels and index them to annual increases in the cost of living so that they maintain their value.

- As a second step, within four years, develop and implement a transparent mechanism to establish livable basic income support rates that reflects the actual cost of purchasing redefined basic needs, including: telephone service, recreation, transportation, and other basic amenities including food, clothing, shelter and utilities.
- Allow EIA recipients to receive the full value of child maintenance payments.
- Extend the Manitoba Child Benefit to EIA recipients.

Labour Market

- Increase the minimum wage to \$10.87/hour in 2008 dollars and index to inflation or adjust annually to average weekly wage increases.
- Implement a labour market strategy with a “good job” creation plan.
- Expand initiatives to recognize foreign credentials in partnership with community groups and other stakeholders.
- Establish living wage legislation to govern service contracting by government, cities, municipalities, hospitals and universities so contracts can only be awarded to companies paying a living wage to workers.

HOUSING

- Ensure that accessible, safe, and affordable housing is available to all Manitobans.
- Increase the supply of non-profit, rent geared to income housing by a minimum of 300 units each year for five years. This, accompanied by a contribution of 700 units by the Federal Government, will help achieve the much needed total of 1,000 new units each year. Priority should be given to increasing social housing in Northern Manitoba and in high need urban centres such as Winnipeg and Brandon.
- Increase housing related benefits, including Employment and Income Assistance Shelter Allowances and Manitoba Shelter Benefits by 20% and index them to annual increases in the Rent Increase Guidelines.
- Invest sufficient financial resources to retrofit all existing public housing units to acceptable standards by 2014.
- Broaden eligibility for the Manitoba Shelter Benefit to include all participants in the EIA program and to assist more working poor families obtain affordable housing.

CHILD CARE

- Increase and expand the supply of child care spaces throughout the province, particularly for

infants and for non-traditional hours. Manitoba has regulated child care spaces for only 15.5 per cent of children aged 0 to 12, less than the national percentage.

- Fund competitive compensation for the child care workforce and provide a continuum of training.
- Increase subsidy eligibility levels and index on a yearly basis.
- Eliminate the \$2.00/child/day surcharge for child care.
- Adopt Jordan's Principle in its full intent to ensure that children's needs are met expeditiously

Government of Canada

A plan to make Canada poverty-free

Campaign 2000, supported by strong public opinion in all regions of Canada, urges all federal parties to work together and in collaboration with provinces, territories, communities and First Nations, on a plan to make Canada poverty-free.

An interim target of 50% reduction in poverty among all Canadians by 2020 will require strong leadership, political will and dedicated resources. The plan must include a clear timetable, a transparent accountability structure that can demonstrate progress and a defined role for citizen participation, in particular, low income people.

What is needed in the plan

- An enhanced child benefit for low-income families to a maximum of \$5,400 (\$2009) per child;
- Restored and expanded eligibility for Employment Insurance;
- Increased federal work tax credits of \$2,400 per year;
- A federal minimum wage of \$11 per hour;
- A national housing plan including substantial federal funding for social housing;
- A system of high-quality early childhood education and child care services that is affordable and available to all children (0-12 years);
- Proactive strategies, including employment equity in the public and private sectors, to level the employment playing field for racialized communities and other historically disadvantaged groups;

- Appropriate poverty reduction targets, timetables and indicators for Aboriginal families, irrespective of where they live, developed in coordination with First Nations and urban Aboriginal communities.

A note on Jordan's Principle:

Jordan, a child from Norway House Cree Nation, was born with severe medical complications. He spent his entire five years of life in a Manitoba hospital because government officials could not resolve a dispute over what level and department of government was responsible for paying for his home care. The passage of the private members motion was an important step forward but much more needs to be done.

For more info and action ideas: re Jordan's Principle: <http://www.fncfcs.com/more/jordansPrinciple.php> & info on AFN tribunal: <http://www.fnwitness.ca/>

Follow-up Action: Write to your provincial/territorial leaders, demand their immediate action to address this serious issue, and urge them to sign on to Jordan's Principle

Endnotes

¹ Statistics Canada, Income Trends in Canada 1976-2007, Table 802

² Childhood adversities as a predictor of disability retirement, Karoliina Harkonmäki, Katariina Korkeila, Jussi Vahtera, Mika Kivimäki, Sakari Suominen, Lauri Sillanmäki, Markku Koskenvuo, Journal of Epidemiology and Community Health 2007;61:479–484. doi: 10.1136/jech.2006.052670

³ Manitoba RHA Indicators Atlas 2009, by Randy Fransoo, Ph D, Patricia Martens, PhD, Elaine Burland, MSc, Heather Prior, MSc, Charles Burchill, MSc, Summary written by Gail Marchessault, PhD

⁴ Statistics Canada, Income Trends in Canada 1976-2007, Table 807

⁵ Child and Family Poverty Report Card 2004, Social Planning Council of Winnipeg, and Statistics Canada, Income Trends in Canada 1976-2007, Table 802

⁶ Statistics Canada, Income Trends in Canada 1976-2007, Table 802

⁷ Statistics Canada, Income Trends in Canada 1976-2007, Table 802

⁸ Statistics Canada, Income Trends in Canada 1976-2007, Table 802

⁹ Community Social Data Strategy Consortium Custom Tables from Statistics Canada - 2006 Census Data

¹⁰ Statistics Canada, Survey of Labour and Income Dynamics, 2009

¹¹ Statistics Canada, Survey of Labour and Income Dynamics, April 2006

¹² Based on Statistics Canada definition of 30 hours per week, 49 to 52 weeks a year. Source: Statistics Canada - Income Trends in Canada 1976-2007, Table 801

¹³ Canada Mortgage and Housing Corporation, data retrieved from http://www.cmhc.ca/en/corp/about/cahoob/data/data_013.cfm

¹⁴ Statistics Canada, Survey of Labour and Income Dynamics, 2009

¹⁵ Canadian Centre for Policy Alternatives, using custom tabulations from Statistics Canada's Survey of Labour and Income Dynamics.

¹⁶ Statistics Canada, Income Trends in Canada 1976-2007, Tables 802 and 804

¹⁷ Statistics Canada, Income Trends in Canada 1976-2007, Tables 802 and 804

