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However you measure it, child poverty is too high

A recent Gazette editorial (Nov. 26th) challenged the use of Statistics Canada's Low Income Cut-Off (LICO) as an accurate measure of poverty. At stake is the question of whether Campaign 2000's Report Card on Child Poverty in Canada is inflating the numbers of the poor.

First, given that Canada does not have an official poverty line, it should come as no surprise that government agencies caution against using the LICO as a measure. However, let's not confuse the question of official assent with whether the LICO is accurate in measuring low income in Canada. It's simple to dismiss the LICO as "unofficial" but turn the question around, and the answers are not as categorical. If the LICO is not a good measure of who's struggling in Canada, than how do we know whether Canada's income security programs like pensions and provincial welfare payments are doing their job?

The government of Canada provides three primary measures of low income in Canada, none of which are officially endorsed as poverty lines.

The Low Income Measure (LIM) is a purely relative measure of inequality. It sets the benchmark of low income at half the median income. It is widely used by international bodies, such as the UN, to compare poverty across nations. Using this measure, UNICEF ranks Canada 17th worst out of 23 industrialized nations in terms of child poverty levels (at 15.5%).

Statistics Canada's LICO has been widely used as an indicator of low income in Canada for more than 20 years and has provided a consistent measure for tracking trends over time. It is published annually by Statistics Canada as a measure of "low income".

The LICO is mix of relative and absolute measures of poverty. It looks at what the average family in different-sized communities spends on shelter, food and clothing and then determines the levels at which families spend a disproportionate amount of their income on life's most basic needs. It is not simply income which is at stake in the LICO, it is what that income can buy you in the real world. So, to build on the Gazette's example, if the average income in Canada became \$1 million overnight, we can almost be sure that rents, along with grocery and clothing prices would rise accordingly.

A third measure, the Market Basket Measure (MBM), addresses head-on the Gazette's call for "a yardstick for how much a family requires to meet basic needs ... that would be very helpful in working towards the elimination of child poverty." In fact, the MBM was commissioned by the federal, provincial and territorial governments as a "consensus definition of basic needs/poverty level." Released in 2003, the MBM defines a basket of goods and services necessary to live in communities across Canada and then determines the necessary disposable income to purchase those services.

The MBM has essentially set the standard for how many families and children are at a severe disadvantage in meeting their basic needs. What is that standard? The MBM

shows almost exactly the same child poverty rate for 2000 (16.9 per cent) than the pre-tax LICO as reported by Campaign 2000 (16.4 per cent).

It is clear that however you measure it, be it through relative or absolute means, child poverty in Canada remains at about 16 per cent, meaning that more than a million children are living in conditions of disadvantage, low income, or poverty. Whatever word we want to use, that's one million too many children.

So what do we do about it?

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.

Canada can do the same. Over the next decade, Canada's multi-year surpluses afford us the fiscal capacity for social investments that will make a real difference in the lives of children and families in Canada. It's time to end to social deficit..

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