

NATIONAL PARTNERS

- ◆ Boys and Girls Clubs of Canada
- ◆ Canada Without Poverty (National Anti-Poverty Organization)
- ◆ Canadian Academy of Child Psychiatry
- ◆ Canadian Association for Community Living
- ◆ Canadian Association for Young Children
- ◆ Canadian Association of Family Resource Programs
- ◆ Canadian Association of Schools of Social Work
- ◆ Canadian Association of School Social Workers and Attendance Counsellors
- ◆ Canadian Association of Social Workers
- ◆ Canadian Auto Workers
- ◆ Canadian Child Care Federation
- ◆ Canadian Co-Operatives Association
- ◆ Canadian Council for Reform Judaism
- ◆ Canadian Council on Social Development
- ◆ Canadian Council of Churches
- ◆ Canadian Feed the Children
- ◆ Canadian Federation of Students
- ◆ Canadian Federation of University Women
- ◆ Canadian Housing and Renewal Association
- ◆ Canadian Institute of Child Health
- ◆ Canadian Jewish Congress
- ◆ Canadian Labour Congress
- ◆ Canadian Mental Health Association
- ◆ Canadian Pensioners Concerned
- ◆ Canadian Psychological Association
- ◆ Canadian School Boards Association
- ◆ Canadian Teachers' Federation
- ◆ Catholic Health Association of Canada
- ◆ Child Care Advocacy Association of Canada
- ◆ Child Care Resource and Research Unit (U of T)
- ◆ Child Poverty Action Group
- ◆ Child Welfare League of Canada
- ◆ Citizens for Public Justice
- ◆ Food Banks Canada
- ◆ Islamic Social Services Association
- ◆ Jewish Women International of Canada
- ◆ June Callwood Campaign Against Child Poverty
- ◆ KAIROS
- ◆ Make Poverty History Canada
- ◆ Mazon Canada
- ◆ National Association of Friendship Centres
- ◆ National Council of Jewish Women of Canada
- ◆ National Council of Women of Canada
- ◆ Our Kids Our Future
- ◆ Oxfam Canada
- ◆ Pueblo
- ◆ Save the Children Canada
- ◆ SpeciaLink (MB)
- ◆ United Steel Workers
- ◆ YWCA of/du Canada

Plus over 60 provincial and community partners across Canada



END CHILD AND FAMILY POVERTY IN CANADA

DEAR MEMBER OF PARLIAMENT,

What was the promise?

Eight of you were Members of Parliament when that historic vote was cast. Most of you, of course, were not yet elected. Shamefully, two decades after the 1989 House of Commons' unanimous resolution "to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000", 10 per cent of Canada's children still live in poverty. Imagine how much worse the situation might be if the resolution was not unanimous! You will pardon our cynicism, but it is rooted in the despair felt by so many Canadian children and their parents.

What were the results?

Using the Low Income Cut Off after-tax (LICO AT), the poverty rate was 9.5% in 2007, down slightly from 11.9% in 1989. This small decline, after a decade of unprecedented economic growth and prosperity, is no cause for pride. The recent recession, from which we are hopefully recovering, will likely show an increase in child poverty rates. This occurred after the early 1990s recession when, in spite of economic recovery, the child poverty rate increased through 1996.

No matter what tool you use to measure child poverty, at least one in ten Canadian children lives in poverty. Surely none of us finds that acceptable. And, that is only the half of it. Today, the average income of a Canadian family living in poverty is more than \$9,000 below the poverty line. It is deeply troubling that this has hardly changed since 1989.



c/o Family Service Toronto
355 Church Street, Toronto, Ontario M5B 1Z8
Tel: (416) 595-9230 ext. 228 or 244 Fax: (416) 595-0242
www.campaign2000.ca www.familyserVICEToronto.org

Some Families are Worse Off

Particular sections of our population experience considerably worse poverty than others.

- More than one in three children whose parent(s) identified as Aboriginal lived in poverty in 2005; and nearly half (49%) of Aboriginal children under 6 live in poverty (not including those living on reserve).
- Beginning in the 1990s, recent immigrants to Canada, in contrast to earlier immigrants, face much higher rates of child poverty - almost 50% according to the 2006 census; and
- People with disabilities live in particularly precarious circumstances.

All of these families require carefully tailored remedies in addition to the more general initiatives that Canada needs to advance.

Canada as a leader in the world?

There are still some who say "the poor will always be with us". If by "with us" they mean Canada, that seems sadly true, based on the meager progress since 1989. However, if "with us" means any prosperous country, then that is hardly the case. Campaign 2000 continues to point to reports from both UNICEF and the OECD indicating Canada remains embedded in the worse half of western countries when it comes to child poverty. How can we hold our heads high when so many other nations - market democracies - like ourselves have child poverty rates half of Canada's? Why should it be a disadvantage for so many children to live in Canada? Must we always punch below our weight?

With the above in mind, imagine our dismay when our Federal government (through Canadian Heritage) responded to a UN report's recommendations in June 2009 with:

- "Canada does not accept 17 from Ghana to develop a national strategy to eliminate poverty. Provinces and territories have jurisdiction in this area of social policy and have developed their own programs to address poverty."

History of federal responsibility

There is strong precedent for the use of the federal spending power in areas of provincial jurisdiction. Yes, provinces and territories must clearly play a key role in poverty reduction, because of their strategic position relating to local economies, the need for accessible service systems and partly because of their constitutional jurisdiction. Seven provinces are developing strategies to address poverty. These initiatives are encouraging steps in the right direction and will hopefully be enhanced and encourage others.

Let us be clear: the federal government must play a lead role. Three constitutional amendments approved by all provinces:

1. Unemployment Insurance in 1940
2. Old Age Security in 1951 and
3. Canada Pension Plan in 1964

have all assigned the federal government direct responsibility for providing major income security programs with poverty reduction goals. Canadians today expect no less.

All we are asking is give children a chance

Campaign 2000 is looking for a real commitment from this Parliament to reduce poverty in Canada by at least 50% by the year 2020, on the way to eventual elimination. That would result in fewer than 5% of children in Canada living in poverty by the end of the next decade, putting Canada among the leading nations in poverty reduction. Even those who do not climb over the poverty barrier would benefit significantly in that their depth of poverty would be substantially reduced.

To achieve this goal, two primary policy pillars need to be addressed. First and most federally significant is the Canada Child Tax Benefit, which includes the National Child Benefit Supplement for low- and modest- income families. This joint federal-provincial-territorial initiative¹ is a refundable credit administered through the tax system to a present maximum of \$3,416 per child. Joint federal/provincial evaluations reveal the child benefit has saved an estimated 59,000 families (125,000 children) from poverty and helped reduce the depth of poverty by 18% among those with very low income.

The child benefit needs to be replenished if Canada is to halve its current poverty rate by 2020. A full child benefit of \$5,400 (\$2009) is necessary to achieve substantial poverty reduction. An economic simulation commissioned by Campaign 2000 in 2007 examined the prospective impact of a maximum \$5,100 child benefit and the results showed a 31% decline in the child poverty rate at a cost of an estimated \$5 billion.

The second major policy pillar is the minimum wage, which needs to be raised to \$11 per hour (\$2009) if a parent working full time throughout the year can lift him or herself out of poverty. We recognize that minimum wages are largely a provincial responsibility; but the federal government can set an example in federally regulated industries.

We would be highly remiss if we did not mention as well the importance of a cross-Canada system of child care and early learning services and a federal provincial housing program ambitious enough to significantly reduce the appalling number of Canadian households in core housing need. Both in their own ways - as evidenced by

the experience in other countries - are absolutely essential if we are to reach and go beyond a 50% poverty reduction goal.

Putting our dollars where our hearts are

You may ask how the federal government can afford to do this. In light of the consequences of not doing so, we ask "how can the government afford not to?" We recognize government finances have taken a beating from the deep recession but it is important to note that Canada's debt-to-GDP ratio is only about half the average of other G8 nations. Much of the current deficit is made up of one-time stimulus spending. The fiscal hands of the federal government will not be as constrained over the next decade compared to many other countries.

We are not suggesting for a moment that a poverty reduction strategy can be done on the cheap. The price tag of increasing the maximum child benefit to \$5,400, while not inexpensive, is still a significant bargain given the benefits to low- and modest-income Canadian families. But, it still has to be paid for. In this context we must remind Parliament and the Canadian public that Canada is not a high-tax country. In fact, we are in the lower third in relation to other OECD countries. And, the data are clear: within the OECD the lower the tax-to-GDP ratio, the higher the child poverty rate. Since 1995, tax revenues in Canada have dropped from 36% of GDP to 33%. That's a loss of nearly \$50 billion per year. Some of that lost tax revenue will have to be recovered if Canadians are going to have the type of society most of us want. "Taxes" as former US Supreme Court Justice Oliver Wendell Holmes told us, "are what we pay for a civilized society."

This has been a long letter but we make no apologies for its length. At stake is the present and future health, happiness and prosperity of our most valuable natural resource - our nation's children. Be generous to them and we will all be the richer for it.

Sincerely,

**Laurel Rothman
Sid Frankel and
Simon Rosenblum**

**on behalf of
The Campaign 2000 Steering Committee**

ⁱ The government of Québec has stated that it agrees with the basic principles of the NCB. Québec chose not to participate in the NCB because it wanted to assume control over income support for children in Québec; however, it has adopted a similar approach to the NCB. <http://www.nationalchildbenefit.ca/eng/06/ncb.shtml>